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Legislative
Assembly
of Ontario



Assemblée
législative
de l'Ontario

Official Report of Debates (Hansard)

F-43

Journal des débats (Hansard)

F-43

Standing Committee on Finance and Economic Affairs

Pre-budget consultations

Comité permanent des finances et des affaires économiques

Consultations prébudgétaires

2nd Session
41st Parliament
Monday 15 January 2018

2^e session
41^e législature
Lundi 15 janvier 2018

Chair: Ann Hoggarth
Clerk: Eric Rennie

Présidente : Ann Hoggarth
Greffier : Eric Rennie

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Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



ISSN 1180-4386

Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Monday 15 January 2018

Lundi 15 janvier 2018

The committee met at 0900 in the Valhalla Inn, Thunder Bay.

PRE-BUDGET CONSULTATIONS

The Chair (Ms. Ann Hoggarth): Good morning. We are meeting in Thunder Bay today to hold pre-budget consultations. As this is an extension of the Legislature, there can be no clapping, cheering, signs or political material. Each witness will receive up to 10 minutes for their presentation, followed by five minutes of questioning from the committee. Today, the third party will start the questioning. Are there any other questions before we begin?

BUILDING UP OUR NEIGHBOURHOODS

PEEL POVERTY ACTION GROUP

The Chair (Ms. Ann Hoggarth): At this point, then, I will call the first witness: Building Up Our Neighbourhoods and Peel Poverty Action Group, joining us by teleconference. If you could please identify yourself for the purpose of Hansard, and we will begin.

Ms. Catherine Soplet: My name is Catherine Soplet. I am the founder of Building Up Our Neighbourhoods and a member of Peel Poverty Action Group. Thank you so much for the opportunity today to provide a submission via teleconference to the Ontario government pre-budget consultations held in Thunder Bay by the Standing Committee on Finance and Economic Affairs.

Building Up Our Neighbourhoods is a community development consultancy which supports civic engagement that leads to improved student outcomes in public schools. In 2013, the pro bono efforts to promote and establish a Parents Reaching Out Grants program was recognized with an award of excellence from the Ontario Public School Boards' Association. Peel Poverty Action Group—PPAG—is a network of people with a lived experience of poverty and those who advocate for remedies. The priority of PPAG is safe, accessible, appropriate and affordable housing for all.

The topic of today's submission is to request continued and increased government resources using an equity lens for the funding and delivery of Ministry of Education Parents Reaching Out Grants. A key impact of programs and activities funded by Parents Reaching Out Grants is to help develop social connection and soft skills

for NEET people—those not in education, employment or training. The activities can especially benefit women, youth and newcomers.

Examples of success are reported in qualitative narratives. Quantitative analytics of qualitative narratives are, as yet, being developed by think tanks such as the Institute for Competitiveness and Prosperity in its October 2016 report *Looking Beyond GDP: Measuring Prosperity in Ontario*, and by the 2016 United Nations sustainable development goals.

The Looking Beyond GDP report acknowledges that activities which contribute to well-being, such as the value-add of learning and unpaid labour from voluntary activities which do not trigger market transactions, are therefore not captured in math for GDP, which is a summation of market transactions. In examining 11 measures of well-being, Looking Beyond GDP results reveal that Ontario is fifth overall amongst its peer group, despite the lowest results in jobs and income. The competitive edge for Ontario is in achieving the greatest results in access to services, health and safety, which have a positive but unknown savings to social costs. The criteria assessed in Looking Beyond GDP were access to services, community, civic engagement, education, environment, health, housing, income, jobs, life satisfaction and safety.

This submission for the 2018 budget repeats the asks of submissions made in 2014, 2015, 2016 and 2017. Prior submissions can be located online using keywords @Soplet #BudgetTalks in the Twitter search window. A bibliography will be provided following my presentation.

My asks are to keep the PRO Grant funded at existing levels; look to increase funding levels of the PRO Grant.

An equity lens to fund and deliver Ministry of Education Parents Reaching Out Grants requires intersectional budget investments from other provincial ministries, and advocacy for resources from the federal government to enable fullest participation in Parents Reaching Out Grants projects. We need resources for high-needs public schools to enable parent equity to access the PRO Grants. In that respect, wraparound community resource investments are needed in high-needs areas so that parent councils can qualify for grants and run the projects.

The third ask: Get increased funding from the federal government for settlement workers in schools and libraries to deliver the tenets of building mainstream diversity and inclusion via public education. Robust settlement supports from the federal government are

essential. Helping newcomers to be ready to learn will require the Ontario government to advocate on behalf of Ontarians for increased settlement resources so that newcomers can build language and literacy skills and bridge connections to education and employment.

Finally, the fourth ask: Fund \$75,000 to ignite an envisioned citizen apprenticeship youth tutor hub pilot in a public library.

I draw attention again to a key impact of programs and activities funded by Parents Reaching Out Grants: the need to help social connection and soft skills for new people. In 2016-17, two Brampton schools, of only 10 schools province-wide, were recognized with the Premier's Award for Accepting Schools. An inclusive, equitable approach ignited exciting and sustainable results at Chinguacousy Secondary School and at Kingswood Drive Public School in Brampton—

The Chair (Ms. Ann Hoggarth): Thank you. Your time is up—

Interjection.

The Chair (Ms. Ann Hoggarth): I'm sorry. It's 10 minutes. Go ahead, please.

Ms. Catherine Sople: Thank you. This is the most exciting part.

What Chinguacousy Secondary School did, as a school that was recognized as a community making a comeback—it had a tarnished reputation for past violence, declining enrolment in the school population and low staff morale. A three-pronged approach using special funding for urban priority schools was used to decrease suspensions and move 98% of students to report a feeling of safety when at school. More than 40 students were trained in Canadian Red Cross programs. A mentoring Link Crew leadership and transition program was developed and is now extending to feeder schools. Teaching staff and community members have closed the gap to build a sense of community by organizing physical and social activities with at-risk students.

At Kingswood Drive Public School there was a similar outreach to a lower tier of students. The community faced several challenges, including many parents with low literacy skills who lacked confidence, but with outreach, social nights and a focus on well-being and skills building, that school also was one of 10 recognized for an Accepting Schools award from the Premier.

The recipients of the Accepting Schools awards are incorporating key skills or talent identified in a November 2013 report, *Taking Action for Canada: Jobs and Skills for the 21st Century*, released by the Business Council of Canada. Those skills are people skills, communication skills, problem-solving skills, analytical abilities, leadership skills and, finally, industry-specific knowledge and experience. People experiencing poverty are coming up with solutions and remedies.

Can an equity-based approach to Parents Reaching Out Grants reduce the income gap and restore health and wealth to the middle class? Ahead of her election as MP, Chrystia Freeland published her views in a *Globe and Mail* op-ed penned on her experience from Plutocrats.

How to address income disparity is through public education, entrepreneurialism and business endeavours which align with the public good.

What is the role of business leaders and enterprise experts such as the Ontario Chamber of Commerce to help improve equity to Parents Reaching Out Grants? Their role is to provide trusted voluntary expertise to school administrators in developing the education and career/life-planning advisory committee called for in Ministry of Education regulation 612.

In its 2015-16 Collective Impact report, the Peel Newcomer Strategy Group identified lower job retention for newcomers correlated to gaps in soft and social skills. Only time and experience working together in projects can bridge host and newcomer cultures into a conjoined integration.

0910

On a promising note, we know that newcomers are known for their entrepreneurial success, so let us connect host business with new business in the Parents Reaching Out Grant program. What Parents Reaching Out Grants do is incubate and engage Canadian-style soft skills, voluntary networks and meeting norms. Business support of Parents Reaching Out programs was captured in the 2012 sessions of the Regional Economic Leadership Series held by the Ontario Chamber of Commerce, bringing business expertise and a Canadian-style team approach to governance and project management that collaborates and gains competence of education systems and can tighten the feedback loop by which to create curriculum which more nimbly responds to regional economic opportunity.

An emergent example of business sector collaboration with public ed occurs in Mississauga: the Building Skilled Talent Together Mississauga initiative of the Mississauga Economic Development Office, convening with Peel public school boards, Mississauga high-tech manufacturing, the Mississauga Board of Trade, the Canadian Manufacturers and Exporters, and the federal Excellence in Manufacturing Consortium.

I conclude by repeating the asks for sustained, increased funding of Parents Reaching Out Grants as well as investments that lead to people being better able to learn, to call upon the Ontario Chamber of Commerce and others of its members to support Parents Reaching Out Grants in public schools, and to create the advisory committees that were called for under regulation 612 of the Ministry of Education.

Thank you very much.

The Chair (Ms. Ann Hoggarth): Thank you. This round of questioning will begin with the third party. MPP Vanthof.

Mr. John Vanthof: Welcome to Thunder Bay in spirit, Catherine.

Ms. Catherine Sople: Thank you.

Mr. John Vanthof: Thank you for your dedication and tenacity on these issues.

On the Parents Reaching Out Grants, could you give me the mechanics of how a group would access a grant like this?

Ms. Catherine Sople: The group is quite specific. There are two kinds of groups: One group is the parent council working with the educator team in a school, and a second group can be a parent-engagement-focused charity or not-for-profit that collaborates with a group of schools and the school board in order to do a larger project.

The school projects are funded up to \$1,000, and what we see as the grants mature, going from school to school to now clusters of schools and families of schools—and the regional grants are valued up to \$30,000. These are 12-month projects.

Mr. John Vanthof: Okay. The funding for these: You've made a point of asking for more money, more funds, but also for more permanency. Is this an interim project, or is this already a full-time project?

Ms. Catherine Sople: The Parents Reaching Out Grants were introduced first of all in 2006, and they have evolved based on feedback and experience. But in 2016, in application for the 2017 grants, it was confirmed by the director of education of the Peel District School Board, upon my request to ask about the permanency of the program, that the program is renewed from year to year.

I will say that that inquiry was made in the spring of 2016 because the language for Parents Reaching Out Grants had disappeared from the poverty reduction documents and reporting. In my experience as a policy advocate, when the language disappears from the documents, the funding soon dries up. There is no permanency because it's a year-to-year occasion.

I am grateful and encouraged that the demand and the efficacy of the grants have expanded and extended. The regional grant applications are becoming very purpose-driven. For example, in Peel District School Board, a \$10,000 grant was devoted specifically to Mississauga Valley community schools to enhance integration of Syrian refugee families with a host community.

Mr. John Vanthof: Okay. So in your opinion and in the opinion of the groups you represent, the Parents Reaching Out Grants are valid and working and should be continued.

Ms. Catherine Sople: Yes. In fact, if you look over the span, what you will see in about 2013-14—so eight years after the introduction of the grant—are micro-preneurs, parent experts who are able to devote some portion of time to help and train other parents for a fee, because knowledge—you get what you pay for. Micro-preneurs coming out of parents—we see that some of the school board trustees got their start in politics by learning about committee work at a parent-council basis. That intimate knowledge and those networks are really contributing to vibrancy, especially in high-needs neighbourhoods.

In my own neighbourhood, close to Sheridan, because of the PRO Grants, the parent network occupied a library and kept it from closing. Because the library was kept from closing, it was partnered with a federal settlement agency. Because it was partnered with the agency,

investments were made to refurbish the library and create a computer resource centre in 2012.

At that time, the federal government was thinking about a hard cut to immigration supports, especially in the region of Peel. That partnership with the library buffered that settlement agency so that it wasn't so hard hit as other ones. In 2015, when the government changed and immigration policy opened the doors to Syrian refugees and family reunification, then the infrastructure and framework processes were in place immediately to accept investment. The churches and the communities—

The Chair (Ms. Ann Hoggarth): Thank you very much, Ms. Sople, for your presentation. Just a reminder: If you wish to submit a written submission, it needs to be to the Clerk of the Committee by 5 p.m. on Friday, January 19.

Ms. Catherine Sople: Okay. Thank you very much.

POVERTY FREE THUNDER BAY

The Chair (Ms. Ann Hoggarth): At this point, I would like to call the next presenter: Poverty Free Thunder Bay. Good morning. When you get settled, if you could please identify yourselves for the purpose of Hansard, and your 10 minutes will begin.

Ms. Ann McGuire: Good morning. Can you hear me? My name is Ann McGuire. This is my co-presenter, Sara Williamson. Before we begin, I would like to acknowledge that we are in the Robinson-Superior Treaty area, and the lands that we gather on are the traditional lands of the Fort William First Nation.

We are on the steering committee of Poverty Free Thunder Bay—me and Sara. Thank you for the opportunity to participate in this year's pre-budget consultation. Poverty Free Thunder Bay is an advocacy coalition working for change at the local, provincial and national levels to eliminate poverty and its impact on our community. We are here today to urge you to implement the Income Security: A Roadmap for Change report.

We are interested in improving the income security system in Ontario because our members are frustrated with the present system. It is both sad and infuriating to see artificial barriers blocking people from living normal lives. If you have read the road map, you have some understanding of the situation in our communities that cries out for adequate funding for social assistance and support programs, especially for people in deep poverty.

Life can be very bleak for people living in deep poverty. Imagine only—

The Chair (Ms. Ann Hoggarth): Excuse me. Could you put the microphone closer to you, please? Thank you.

Ms. Ann McGuire: —only \$721 a month for full OW benefits: not enough to live on; not enough to keep up with rent and utilities and the cheapest food; not enough for bus fare to endless appointments; not enough for a cellphone to stay in touch with support services.

Imagine young people moving to Thunder Bay with little or no money. The cheap rented room has bedbugs

and broken plumbing in the shared bathroom. There is no security, and their ID and clothing are stolen. Imagine trying to break a drug addiction when all you can afford is a rented room in a building full of addicts and drug dealers.

0920

No matter how carefully you cut your slice of the economic pie, you run out of funds. And then what? When people are economically vulnerable, they turn to food banks, pawnshops and, for some with an addiction, theft and prostitution.

Imagine a street person who self-medicates, huddled in an alleyway in brutally cold weather—and bear in mind that in northern Ontario we have extreme cold weather alerts and they can occur at any time from November to April. Street people have frozen to death. A mattress in an emergency shelter is a Band-Aid, not the vision.

Realize the First Nations have agreed to share the richness of this land. So we are troubled that in Thunder Bay, indigenous people made up about 74% of our population in the point-in-time count, 2016. To deprive indigenous people of basic income security and support is a violation.

Eighty-four per cent of indigenous people in Ontario live off-reserve and in urban indigenous communities. If you, as our members of Parliament, fail to act on the road map, you are participating in the institutional racism of the archaic colonial system. Fix it.

Ms. Sara Williamson: The Roadmap for Change report is exciting because finally we see a comprehensive plan that puts people—and their needs and rights—at the centre of the system: home, food, and dignity; rights, not charity; enough money for nutritious diets; cellphones, bus fare, and safe housing; and enough money to have some quality of life.

In our written submission, we also referenced the financial benefits to Ontario of implementing the roadmap recommendations. Poverty Free Thunder Bay supports the vision, principles and recommendations of the Roadmap for Change. It calls for a meaningful raise of rates of OW and ODSP.

We agree with the First Nations recommendations and the urban indigenous peoples table's call for a system that provides economic opportunity and dignity for community members who access income assistance services.

We also lobby for a substantial investment in affordable, appropriate housing. We welcome the flat-rate structure to social assistance and the rule changes.

We share the Thunder Bay injured workers group's concern that injured workers are being disoriented by WSIB and off-loaded into the social assistance system.

We strongly endorse the Income Security Advocacy Centre submission.

Now, this is urgent. All recommendations that are to start in 2018 must start before the election. It will confirm the acceptance of the road map and prevent delays in implementation.

One recommendation that must be beefed up is the investments to help people in deep poverty that Ann

described. Within three years, all social assistance recipients should be receiving at least 70% of the low-income measure. For example, for a single person on OW, \$8,625 a year is not enough. That's what they get now. Seventy per cent below the low-income measure would be a very modest income of \$15,400.

In conclusion, thank you for your attention to our concerns. Please finance the Roadmap for Change recommendations to reform the income security system and resolve the systemic problems faced by those disproportionately impacted by poverty: indigenous people, women, people with disabilities, people from racialized communities, newcomers and other historically disadvantaged groups. Honour the rights of Ontario's indigenous treaty partners and citizens in this budget, and have the political will to make this a banner year for building socio-economic inclusion. Truly, all parties of the Ontario government must act together now to better our communities by making life better for low-income people in Ontario. Fix it.

The Chair (Ms. Ann Hoggarth): Thank you. We'll move to the government. MPP Baker.

Mr. Yvan Baker: Thank you, Sara, and thank you, Ann, for coming in today. I think that I've had the opportunity to hear, if not both of you, at least one of you present before the committee, so it's good to see you again. I applaud you for your energy and your advocacy and your persistence in advocating on what is really an important issue.

Just a couple of quick things: I think you've raised a lot of important points in framing the challenges that we face around poverty in Ontario and in this region. I know that when it comes to First Nations people and the challenges that they face—I won't go through it, but I know that the government and Premier Wynne have taken a lot of steps in trying to address some of the issues you raised around poverty and First Nations people. We have a long way to go; there's no question about that. But I know that she has taken a lot of steps. I know she's personally passionate about this. I had a chance to travel with her in August to a number of First Nations communities, where we were specifically looking at that issue.

When it comes to poverty more broadly, I know that there are a number of strategies in place. We have a minister responsible for our Poverty Reduction Strategy; there's an entire strategy behind that, of course. As part of that, there is the Community Homelessness Prevention Initiative. We've launched the Basic Income Pilot. I believe it's being piloted in North Bay, if I'm not mistaken—I may be mistaken.

The Chair (Ms. Ann Hoggarth): Thunder Bay.

Mr. Yvan Baker: Thunder Bay. I'm sorry; I got that wrong. There you go. It's here in Thunder Bay. Regardless of where it's being piloted, the point is that these are all initiatives that are meant to find ways to address some of the underlying problems that you've spoken about.

One of the things that we've spent a lot of time on in the public discourse is the minimum wage. I'm wondering if you could speak to that at all, or if you have

thoughts at all on the increase to the minimum wage and what that would do to address poverty in Ontario.

Ms. Sara Williamson: Well, it's excellent. It's wonderful that it's in place, and the other changes in legislation for improving workers' rights and safety in the workplace. We just would like to see enough enforcement officers hired in order to make sure that that really happens, without bad employers cutting back on people when they get one step ahead.

So, yes, that's good.

Mr. Yvan Baker: My colleague was just reminding me that one of the things that the government has done is they've hired additional enforcement officers—

Interjection: It's 175.

Mr. Yvan Baker: —175 officers under the Ministry of Labour.

Ms. Sara Williamson: Yes. Initially, it was just saying that by 2020, there would be 175. Sooner would be better.

Mr. Yvan Baker: Yes, okay. That's good feedback for us. And what about the Basic Income Pilot? What are your thoughts on that?

Ms. Sara Williamson: Well, it's just a pilot. It could be good; we'll see how it goes. But if we can get this under way and have people in deep poverty, people on social assistance, getting enough so that they're at at least 70% of the low-income measure—and that's plus the support services that they need—then we've gone a long, long way forward. That would be in place regardless of what comes out of the Basic Income Pilot.

Mr. Yvan Baker: Thank you.

The Chair (Ms. Ann Hoggarth): Thank you very much. If you have another written submission, the deadline is 5 o'clock on Friday, January 19, and it needs to be to the committee Clerk.

Ms. Sara Williamson: Thank you.

NORBORD INC.

The Chair (Ms. Ann Hoggarth): Our next presenter will be Norbord Inc. Good morning.

Mr. Rick Ksiezopolski: Good morning.

The Chair (Ms. Ann Hoggarth): If you could get yourself situated and identify yourselves for the purposes of Hansard, your 10 minutes will begin.

Mr. Rick Ksiezopolski: Okay, thank you. Good morning. I'd like to welcome the Standing Committee on Finance and Economic Affairs to northwestern Ontario. It's good to see the committee in this part of the province. I appreciate that.

0930

My name is Rick Ksiezopolski and I am the woodlands manager for Norbord Inc. The company owns an oriented strand board manufacturing facility located in Barwick, Ontario, which is a community 450 kilometres west of Thunder Bay, in the Rainy River district, or, I always say, it's located just off of Yonge Street about 1,850 kilometres from Toronto.

Mr. Mike Colle: Just up the road.

Mr. Rick Ksiezopolski: Just up the road, yes.

I'd like to take a few minutes to provide you with a background to our company and facility, and then I'll address some specific concerns for your budget deliberations.

Norbord Inc. is the world's largest manufacturer of oriented strand board; we call it OSB. The company's head office has always been based in Toronto since its inception in 1987, where it was originally known as Noranda Forest Products Inc. We have 17 plant locations throughout the United States, Canada and Europe, and the company employs 2,600 people.

The Barwick manufacturing facility was constructed as a greenfield mill 20 years ago. We directly employ 170 full-time positions and support another 180 jobs through independent logging contractors. This, combined with indirect and induced job multipliers, makes our manufacturing facility one of largest employers within the Rainy River district. Most of our \$100 million in annual expenditures stays within the local communities. Our employees and independent logging contractors live throughout the Rainy River district and contribute to the tax base of many small municipalities located within the district. Approximately 50% of our employees live in Fort Frances, Ontario, with the remaining scattered throughout the district from Atikokan to Rainy River and north to Nestor Falls.

We have an excellent workforce and are proud of our safety and environmental performance. These achievements are made possible by the extraordinary commitment and dedication of all team members at the mill, where 25% of our employees have been with the mill since its inception.

Generally, OSB manufacturers focus on commodity products that primarily target new home construction and renovation markets. We have and continue to invest to diversify from commodity production. Some 75% of our production at the Barwick mill is specialty value-added products such as custom dimensions for recreational vehicles, furniture manufacturing and premium flooring products. This focus on specialty value-added products resulted in the Barwick facility being one of nine mills in North America that ran continuously throughout the recession.

All production from our facility is sold into the North American market, primarily in the north central and midwestern United States.

The specialty value-added focus also creates economic and employment opportunities for the local communities. For example, through a long business relationship with Manitou Forest Products, OSB is remanufactured into a finished product called rim board. The fabrication facility is collocated in a specialty sawmill located on Rainy River First Nations. This operation employs 25 people within that community.

I would now like to discuss specific concerns for your budget deliberations. It is important for any mill to continually improve its competitive position through ongoing capital investments in order to compete with

newer, larger, low-cost facilities that operate in North American jurisdictions. These other facilities have significantly lower cost structures. Any increase in taxes, fees, stumpage, utilities and changes to government policies and the like have an impact on this competitiveness and on our future investment and employment.

The largest input cost in the production of OSB is wood cost. The Barwick facility has one of the highest wood costs in North America. All elements that make up our total wood cost are high. These include forest management fees, forest renewal fees, stumpage, roads, logging and trucking costs. Government policies directly impact these costs. The Ontario Forest Industries Association, the OFIA, of which we are a member, will be making a presentation that will address some of these impacts, and we support the OFIA's position on these matters.

Specific to our facility, we understand that the Treasury Board continues to ask the Ministry of Natural Resources and Forestry to increase the minimum stumpage paid for poplar and white birch from 60 cents a cubic metre to \$4.38 a cubic metre. This 600% increase is unconscionable and would jeopardize all our past efforts and investment, and would challenge the viability of the mill.

Further, as part of the stumpage system, a residual value formula is applied that results in the highest residual value rates in Canada. We ask that the Ministry of Natural Resources and Forestry adjust the formula to make it competitive with other jurisdictions.

We are very concerned with the expected impact the Endangered Species Act will have on the forest industry. We request that reasonable and workable prescriptions and socio-economic impacts be considered in its implementation. There will be mill closures and jobs lost if we do not balance these factors.

On a positive note, the Ministry of Natural Resources and Forestry program for forest roads continues to be essential for the development and maintenance of northern Ontario's infrastructure. We ask that this funding be returned and maintained at the \$75-million level.

Energy costs greatly affect the production costs of an OSB mill. Currently, Ontario recognizes the impact of high electricity costs on the forest products sector, and established the Northern Industrial Electricity Rate Program, or NIER Program, to offset electricity costs. It is critical that the NIER Program remains permanent to protect the economic viability and competitiveness of not only our mill but all forest product manufacturing facilities.

Also with respect to electricity, while the NIER Program addresses the immediate pricing, consideration needs to be given to long-term rate increases, as we are forecasted to become a jurisdiction with one of the highest electricity rates in North America. Fair, predictable and competitive utility rates are critical to job retention, business development and job growth for all sectors.

Recently, we met with a local municipality to discuss upcoming municipal taxes. They indicated that they will

not be able to present a budget without a tax increase. They cited numerous factors such as policing costs, continued program offloading, increased regulations, and planning and reporting requirements for this increase. While not familiar with the specifics, any policies that impact municipalities directly impact our facility, employees and independent logging contractors, and we ask the committee to consider the downstream impact of any policy changes.

Finally, I'd like to bring to your attention a significant challenge facing the industry. As most of you are aware, we continue to experience a shortage of labour for the various trades, such as mechanics, electricians and millwrights. However, the industry is facing a capacity issue with respect to forestry workers, and that's equipment operators, truck drivers, contractors and professional staff such as foresters and forest technicians. This is being compounded by an aging workforce. A recent survey completed by FPInnovations showed that 40% of qualified truck drivers in northwestern Ontario are older than 56 years of age. We ask that you be mindful of this specific labour shortage, and consider any training opportunities that can target these skills and people shortages.

I thank you for your time, and thank the committee again for coming to northwestern Ontario.

The Chair (Ms. Ann Hoggarth): Thank you, sir. We'll move to the official opposition. MPP Fedeli.

Mr. Victor Fedeli: Thank you very much. Welcome into Thunder Bay, Mr. Ksiezopolski. We really appreciate hearing from you today.

I think you've pretty much summarized a lot of what we're going to hear throughout the day: high wood costs; the potential of the 600% increase in the stumpage fees; the impact of the Endangered Species Act; to use your words, one of the highest electricity rates in North America; and the shortage of labour. You've really summarized a lot.

I want to talk to you about access to wood. We've heard in the past—we go through these hearings annually—that we need consistent, long-term wood to run the mills. Are you concerned about access as well?

Mr. Rick Ksiezopolski: Yes, we are. In the long term, we're worried about all the planning guidelines and policies and procedures, and how they constrain the wood supply. That's one of our bigger concerns. That's why I referenced the ESA as an example of an act that has an impact on wood supply.

Mr. Victor Fedeli: We've heard from Frank Dottori, who was here in the hearings, I think, in Sudbury last year. I think he might even be coming, either this week—he'll be here this week as well.

0940

When we talk about electricity rates, do you want to just zero in a little bit about the volume of power that you use and why that is so critical to you?

Mr. Rick Ksiezopolski: It represents roughly about 8% of our cost of manufacturing. Then, if you look at it, we consume about seven megawatts is the size and everything like that—

Mr. Victor Fedeli: Seven?

Mr. Rick Ksiezopolski: Seven, yes.

The thing about Norbord is that we always get benchmarked to the other mills and facilities. When you're always coming up high in different locations, the impact it has on business decisions, if you want to use the term, is it's always asked: Your log costs are high, your electricity is high. When you're making capital investment decisions, those are the types of questions that we always need to answer, so it has a direct impact, even on investment decisions.

Mr. Victor Fedeli: When you talk about one of the highest wood costs, what are all the other inputs that go into making you one of the highest in wood cost inputs?

Mr. Rick Ksiezopolski: I referenced the forest management costs that we incur in terms of managing the forests. Our renewal costs are high, and the stumpage rates, if you look at that. Even just our logging and contracting costs are high, because fuel is high as well, right? All of those elements sort of add up.

Again, when I benchmark our forest management fees, I benchmark them to Quebec, Minnesota, the southern US, Alberta and British Columbia as well, so we've got direct numbers on those things. They're high right across the board.

Mr. Victor Fedeli: Chair, I'm going to turn it over to Mr. Oosterhoff.

The Chair (Ms. Ann Hoggarth): MPP Oosterhoff?

Mr. Sam Oosterhoff: Thank you, Rick, for taking the time to appear before the committee. I just had a brief question about the continued program offloading that your local municipality mentioned. I know it says that you're not familiar with the specifics, but I was wondering if you could just go into that a little bit more. I know that is a concern we hear more often, about the downloading of costs onto municipalities. I was wondering if you could explain that.

Mr. Rick Ksiezopolski: When we went to the meeting—we meet with them annually and talk to them about business-to-business, what we could do to help them and anything like that. On the planning side, in this year's discussion, there was a lot on the offloading of the planning and—

The Chair (Ms. Ann Hoggarth): One minute.

Mr. Rick Ksiezopolski:—different programs that are there.

"I think we're planning the plan," is the term they used. I go, "What are you planning?" Well, whether it's the garbage dump or their municipal plans, they keep changing. Then they've got to hire a consultant. Then they've got to—a lot of that kind of offloading is what they pointed out, but I wasn't too specific. We were just talking about that.

Mr. Sam Oosterhoff: Okay. Thank you.

The Chair (Ms. Ann Hoggarth): MPP Fedeli?

Mr. Victor Fedeli: I want to go back to your comment to MPP Oosterhoff, with the cost to the municipalities. If the government were to share a part of the revenue from their stumpage fees with the municipalities,

would that offer some of the offloading and some assistance?

Mr. Rick Ksiezopolski: It's a model. The US uses that type of model and all that. It's just a model. But from an industry perspective, the way we put it is that however the government wants to share their revenue, we pay once. Let's not make it too complicated, because then it becomes an administration problem for us in terms of increased costs.

The Chair (Ms. Ann Hoggarth): Thank you, sir. If you have a further written submission, you can have it to the Clerk by 5 p.m. on Friday, January 19.

WEYERHAEUSER ONTARIO TIMBERLANDS

The Chair (Ms. Ann Hoggarth): Our next presenter is Weyerhaeuser Ontario Timberlands. Good morning.

Mr. Matt Wilkie: Good morning.

The Chair (Ms. Ann Hoggarth): If you could, once you get settled, give your name for the purposes of Hansard, you may begin your 10-minute presentation.

Mr. Matt Wilkie: Great. Good morning, members of the standing committee. Thanks for making the trek to Thunder Bay. My name is Matt Wilkie and I'm a forester at Weyerhaeuser in Kenora, Ontario.

I'd like to say that Weyerhaeuser supports and is aligned to the comments made by Norbord just previously. It's going to sound a lot like an echo of what Rick had to say.

Weyerhaeuser also has a proud history of managing crown land in Canada and producing renewable forest products. We currently operate in four provinces and manage over 14 million hectares of forest. In 2001, Weyerhaeuser constructed its most innovative facility to date, and chose Kenora as its location. The plant cost \$260 million to build. It employs over 220 people within the mill and approximately the same number of people in the forest. It's one of Kenora's largest employers.

Through advanced manufacturing, this facility produces an engineered lumber product we call TimberStrand from poplar and birch trees. This is the first and only TimberStrand plant in Canada, and it's the most up-to-date engineered-wood products operation in the world. TimberStrand is used in residential and commercial wall framing, headers, beams, columns, as well as for other industrial uses such as concrete forms, furniture frames, door and window cores, and heavy-duty pallets. Products are produced in lengths of up to 64 feet with a thickness between one inch and 3.5 inches. It's kind of like OSB that Norbord produces but on steroids. TimberStrand resists warping, splitting and twisting. It's stiff, strong and straight every time. Environmentally, the entire log is used for the production of engineered lumber as the log by-products are used to produce heat for the process.

The forest industry is critical to northwestern Ontario. The forest sector's strength has always been its ability to use Ontario's renewable resources sustainably and responsibly. The forest sector not only practises world-

class forest management but has continually transformed itself to become leaders in advanced manufacturing, responding to the latest consumer trends and technological advancements.

I grew up in Thunder Bay. I graduated from the forestry program at Lakehead University 30 years ago. Since then, I've worked for the forest industry in northern Ontario for my entire career. I've been a member of the Ontario Professional Foresters Association since 1990 as a registered professional forester. I've participated on several multi-stakeholder government committees, including membership on the development team for the Forest Management Guide for Conserving Biodiversity at the Stand and Site Scales, the Provincial Forest Technical Committee, the forest carbon policy technical working group, as well as being past chair of Forest Ecosystem Science Co-operative Inc. I've authored forest-management plans. I've worked in silviculture and harvest operations. I also hunt and fish every spare minute, and have been a fur trapper as well. So I've seen a lot, and I'm always learning something new every time I go out to the bush.

But I'm not unique as an industrial forester. As a group, we have a tremendous amount of knowledge gained through the experience of practising forestry. We are the practitioners in this province. We are out there every day either in the forest, meeting with stakeholders and rights holders, continuing our education or working with and for the producers and consumers of forest products throughout the supply chain.

We try to do our best for the forest, our communities and our employers, but it seems that our voice is being heard less and less, or at least being considered less and less. Policy is being developed without true collaboration with the most affected and most knowledgeable people in the sector. I believe First Nations representatives would feel the same way.

All forestry operations on crown land in Ontario must abide by the Crown Forest Sustainability Act, the CFSA. Under this rigorous environmental regulation, forests are managed to provide large, healthy, diverse and productive crown forests and their associated ecological processes and biological diversity. It does this by requiring forest operations to emulate natural disturbances as much as possible. Build it, and they will come. Under the CFSA, forests are managed and evaluated at multiple scales, from the broad landscape level down to the smaller site level, based on sound and ever-improving science. The CFSA considers all three pillars of sustainability: environmental, social and economic.

On the other hand, the Endangered Species Act, the ESA, has a mandate to protect individual species at risk. We are concerned that the application of the ESA will continue to impact the environmental, social and economic sustainability of forestry in northwestern Ontario. The forest sector should not be asked to operate under the two acts. The duplication is not necessary, and the objectives of the two acts are irreconcilable.

The ESA poses a serious threat to our sector. As an example, about one third of our wood supply in Kenora

comes from the boreal caribou zone, which is a broad-ranging species at risk. The Ontario Ministry of Natural Resources and Forestry's most recent and conservative estimate indicates that the proposed new boreal caribou protection regulations under the ESA will result in a 40% to 70% reduction in forestry economic activities in that particular area of the province. This will significantly reduce our wood supply and, in turn, lead to a loss of jobs at our facility and surrounding communities.

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This proposed habitat regulation is the result of Ontario trying to meet the federal government's maximum forest-disturbance target of 35%. This is the same target ranging from BC to Newfoundland. The Ontario MNRF's most recent caribou collaring data and caribou range assessment reports do not support the hypothesis that disturbance levels are the most significant factor in caribou population dynamics here in Ontario.

New caribou habitat regulations are only one of our concerns. New species are being added to the list every six months by COSSARO, the province's Committee on the Status of Species at Risk in Ontario. COSSARO's process to classify species at risk does not consider the local knowledge of indigenous communities or that of the forest practitioners that have spent their careers sustainably managing our forests. Species being added to the species-at-risk list are not as a result of forestry activities, but we are paying the price. The eastern whippoorwill is a good example. It's a migratory, nocturnal, ground-nesting aerial insectivore that benefits from young forest created by logging. This species is nocturnal and very cryptic. It is difficult to detect and, as a result, its population estimates are inaccurate. I can tell you that they are common in managed forests in northwestern Ontario. But their species-at-risk status applies from Toronto to Pickle Lake, from Quebec to Manitoba. Proposed logging restrictions as a result of the ESA will likely do nothing to help our whippoorwill population, but will be detrimental to the forest industry.

In the 16 years since Weyerhaeuser built the Timber-Strand facility in Kenora, we have seen a significant decline in our close-in wood supply. This is not a result of a reduction in forested area or tree growth, but from policy and politics. Reducing harvest levels locally generally means that we have to go further and further to replace this wood. As a result, we are now Weyerhaeuser's highest raw-material-cost facility in Canada. We are concerned that new, unbalanced public policy will further constrain our existing wood supply and enhance our uncompetitive position.

There is a significant potential for Ontario to meet its climate change objectives by actively managing our forests. Properly managed forests can be a carbon sink, and carbon stored in long-lived harvested wood products compounds this effect. The substitution of renewable biomass in place of fossil fuels, and of wood building products in place of steel and concrete, also has great potential and needs to be included in the analysis. The policies currently being developed need to recognize that

and allow the flexibility required to make forest management decisions that meet climate change and other objectives.

On the Kenora Forest, Weyerhaeuser has partnered with seven First Nations to create one of the first successful jointly managed sustainable forest licences in Ontario. The majority of the main roads on the Kenora Forest and the Whiskey Jack Forest are built by First Nation partners and are utilized not only by the forest industry but by hunters, trappers, fishermen and recreationalists as well. The provincial roads funding program helps to support this development and is critical to the people of northern Ontario. With an increase in activity in the forests in northern Ontario, we ask that the roads funding program be increased and maintained to its historic level of \$75 million per year.

Despite the inherent benefits, there are challenges in attracting younger generations, as Rick said, to well-paying jobs in the forest industry. Moving forward, we will require the government's support to attract new entrants to this sustainable industry and enhance the benefits received by our northern communities. It's not without challenges, but positive promotion of the forest industry, support for training and capacity building, and good policy will help.

In closing, the forest industry has a proud history of sustainably managing Ontario's forests, and we're governed by some of the most stringent policy in the world. With consistent, long-term, reliable access to affordable wood, we will continue to be the cornerstone of northwestern Ontario's economy and support hard-working families.

The Chair (Ms. Ann Hoggarth): Thank you: right on. We'll move to the third party. MPP Vanthof.

Mr. John Vanthof: Thank you, Mr. Wilkie, for a very detailed presentation. I've got a few questions.

I think for a lot of people, on the Endangered Species Act and the Crown Forest Sustainability Act, the forest sector sees it as doubling up, which it is. But you've done a very good job—and I'd like you to reiterate—on the difference between the two, just for me as a layperson. I'm a farmer by trade, not a forester.

The Crown Forest Sustainability Act: The purpose and the way it looks at it, it's protecting the environment so all species can survive. The Endangered Species Act is looking at protecting species by species. Is that—

Mr. Matt Wilkie: That's correct. The Endangered Species Act is written to protect individual species at risk, which in a certain case such as the whippoorwill may be detrimental to the species because they require young forests. Well, if you create the young forest, then the whippoorwill inhabit that area, and when you put a buffer around that, when that forest gets old, one of the identified threats to the whippoorwill is loss of open areas in young forest habitat. Part of that is old hayfields reverting back to forest and that kind of thing. It's the same idea with the clear-cut. It might be good for them for 10 or 15 years, and then after that it's no longer habitat for them.

The Endangered Species Act may work really well for areas where you're looking at the trade-off between deforestation, such as making a parking lot, where endangered species currently inhabit, but through the CFSA we try to manage the forest—as I said, build it and they will come. So create these different habitats, different ages of forest, different types of forest, throughout time—because the forest is always changing—and if you create that, the idea is that the species will inhabit those areas if the habitat is there.

There are so many unknowns with forestry and ecosystems that we believe the best way to manage for all species is to emulate the natural processes that have been occurring for thousands of years and create that mix of habitats, so that all species will have a place to live.

Mr. John Vanthof: A bit further in your presentation, you were talking about the caribou and that basically the forest distribution rate is an arbitrary number as opposed to the actual scientific—looking at what the caribou are actually doing. So I would assume by this that you would be in favour of actually looking at the science instead of picking an arbitrary number.

Mr. Matt Wilkie: That's correct. The independent range assessment reports that MNR did a few years ago included collaring females in every single range across Ontario. There are about a dozen or so, I think. There were some ranges in completely undisturbed areas, and quite a few ranges in the forestry zones. If you look at the disturbance levels—that's harvesting, buildings, roads, hydro corridors, this sort of thing; those all count towards the disturbance levels in those areas—they didn't have any bearing on MNR's estimate of which caribou ranges or populations were most likely to survive and flourish. In fact, the heaviest-disturbed range was a city range, which I'm familiar with because it's at the top end of the Kenora Forest. According to the collaring data and the calf survival, it had the best chance of persisting. So it's completely the opposite to what the 35% number would show. The city range at the time was, I think, about 67% disturbed. Since then, we've had another 75,000-hectare fire in that range, which is significant. So it's way over 70% now, and the caribou are doing fine.

So there's obviously something else at work here.

The Chair (Ms. Ann Hoggarth): One minute.

Mr. Matt Wilkie: Climate change could be a big factor. The caribou population varies quite a bit from year to year, as do white-tailed deer and moose, but there's obviously something else at work here. And there are many examples, with that collaring data, of caribou—there's a GPS on their collars that shows where they're hanging out—many examples of them hanging out in clear-cut areas and also examples of them not using areas that should be good habitat because they're old forest.

Mr. John Vanthof: Thank you very much for a very good presentation and a very good explanation. I think it opened some people's eyes to what northern Ontario foresters are all about. Thank you very much.

The Chair (Ms. Ann Hoggarth): Thank you. If you have a further written submission, it needs to be to the

committee Clerk by Friday, January 19, at 5 o'clock. Thank you, sir.

KINNA-AWEYA LEGAL CLINIC

The Chair (Ms. Ann Hoggarth): Our next presenter will be Kinna-aweya Legal Clinic. Good morning. Could you identify yourself for Hansard, and you may begin your 10-minute presentation.

Ms. Sarah Colquhoun: Thank you. Good morning. My name is Sarah Colquhoun. I am the coordinator of legal services, Kinna-aweya Legal Clinic.

Kinna-aweya Legal Clinic is funded by Legal Aid Ontario to provide poverty law services to low-income people in the district of Thunder Bay. We focus primarily on income maintenance issues and tenancy matters. In addition to providing summary legal advice and ongoing representation, we provide community legal education, we do community development, and we do law reform work towards systemic solutions for the problems that our clients face with respect to social assistance system and housing issues.

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Our clients are, for the most part, people who are struggling to survive on social assistance in Ontario, a struggle that is becoming more and more desperate. The legal clinic welcomes this opportunity to speak on behalf of our clients and to urge this committee to recommend a significant increase in spending on social assistance in the coming budget.

I know you've heard from other groups in Toronto and in other communities, and you'll hear from more this week, I'm sure. Our clinic has endorsed the submission made by the Income Security Advocacy Centre, but we really appreciate the opportunity to speak to you in person in northern Ontario, because we have specific challenges in northern Ontario that are different than in the bigger centres.

The amounts paid for social assistance in Ontario are hopelessly inadequate when compared with the actual cost of basic needs, such as shelter and food. That is anywhere in Ontario. It's simply not enough. The gap between what families receive for their basic needs and what they need in order to pay rent and buy groceries is hundreds of dollars a month in all communities in Ontario.

I think it's really important to remember that we are talking about people who everyone agrees need to be on social assistance. This isn't any kind of discussion about who should be on social assistance. These are people who have gone through all the hoops. It's recognized that they need to be on social assistance.

We're proud of the fact that there's a social safety network in Ontario to protect people who are temporarily out of work; people who are involved in participation requirement activity in order to maintain their eligibility for social assistance; people who are doing everything they can to find work, or who are unable to work for a period of time because of health problems or other crises;

or people who are recognized to have disabilities that restrict their ability to function in a workplace. All of these people who have to rely on social assistance for their basic needs should receive enough money every month to pay for the necessities of life. That is simply not the case at present. It hasn't been the case for decades, and the situation is getting worse.

There needs to be a significant increase in the social assistance rates. It's not effective to try to deal with the sadly inadequate rates through minuscule percentage increases. Two per cent of \$700 is \$14. Increasing rates by less than \$20 a month is not effective when someone's entire entitlement cheque is less than the average rent amount in their community.

Decreasing the number of families living in dire poverty would positively affect the budget in many other areas. Poor people have more health problems. Children living in poverty have more challenges in the education system. People end up in the criminal justice system because of poverty. Social assistance recipients would die without food banks and soup kitchens. This isn't because they lack budgeting skills or are frivolous with their money. It's because they don't get enough money in a month to allow them to pay rent and to eat every day.

I would like to quote from *In From the Margins*, a 2009 report by a bipartisan Senate committee that was authored by Senator Hugh Segal and Senator Art Eggleton: "Poverty expands healthcare costs, policing burdens and" leads to "diminished educational outcomes. This in turn depresses productivity, labour force flexibility, life spans and economic expansion and social progress...."

"We believe that eradicating poverty and homelessness is not only the humane and decent priority of a civilized democracy, but absolutely essential to a productive and expanding economy benefiting from the strengths and abilities of all its people."

As you know, the Ministry of Community and Social Services recently released a report called *Income Security: A Roadmap for Change*. It outlines a 10-year plan to reform supports for both low-income workers and people receiving social assistance. We endorse the recommendations in *A Roadmap for Change*.

The road map recommends a 10% increase in Ontario Works and a 5% increase to ODSP this year. These increases are the very least that the government should consider. We urge the committee to recommend to the government to make those increases.

It is well past time for the government to move to evidence-based policy decisions about social assistance and minimum wage. Social assistance rates in Ontario are currently arbitrary numbers that have no relation to the actual cost of food, housing and other basic necessities. The current system was designed to be deliberately inadequate in the erroneous thought that if people weren't getting enough money on social assistance, then they would just go and find a job. People are on social assistance because they can't find a job or because they can't work for some reason. Nobody wants to be on social assistance.

In addition to the significant rate increases recommended in A Roadmap for Change, there are thoughtful recommendations for improving the system in many other ways. The road map has input and endorsement from everyone who knows anything about social assistance, from people with lived experience, municipal and provincial program administrators and social policy experts. There are many social assistance recipients who have insurmountable barriers to being involved successfully in the workforce, and many others who are working as many hours as they can. These vulnerable people should get enough money each month to meet their basic needs.

The lack of affordable housing is becoming a crisis in many communities, including Thunder Bay. The provincial government needs to continue to invest in actual housing units; we need bricks and mortar. When I started working at the clinic, a single social assistance recipient could get up to \$416 for shelter, and you could rent an apartment in Thunder Bay for \$400. Now a single Ontario Works recipient gets a maximum of \$384 for shelter, and the average cost of a one-bedroom apartment is more than twice that much.

I was told a number of years ago by a provincial cabinet minister that poverty is a complex problem and can't be solved just by throwing money at it. But my response then—and now—was, "How do we know, because we haven't tried that yet?" If we give people enough money to pay rent and buy groceries, that's what they will do with that money for the most part. I can tell you anecdotally that in the 1980s, when people received much more in Ontario relative to the cost of living, you didn't see people sleeping on the streets, and there was no food-bank industry.

Thunder Bay is one of the sites for the Basic Income Pilot project, and it's very exciting; we've been involved in the project. But increases to social assistance rates can't wait until that project is completed in three or four years. It's cheaper in the long term to provide adequate housing and adequate income to vulnerable people than to pay for the costs associated with homelessness—costs both in terms of dollars and, more importantly, in terms of hardship and despair.

I'd just like to briefly talk about another project that our office is involved with. We've been running ID clinics to help people get birth certificates and other ID, and we've also established an ID bank where homeless and transient clients can keep their IDs safe. Many vulnerable low-income people lack the necessary ID to get a bank or credit union account. If you're homeless and you don't have a bank account, ironically, you need photo ID to pick up your ODSP cheque at the ministry office. We've been trying for a number of years to get funding to support these ID programs. We've recently been advised that we'll be receiving a time-limited grant from the Poverty Reduction Strategy. We're very thankful to receive that funding, but in the long term we think the Ontario government should provide an Ontario photo ID to every low-income person who doesn't have a

driver's licence, and MPP constituency office staff should be trained to assist people in obtaining the necessary documentation to support an application for the Ontario ID card. The government should provide ID to people. It shouldn't be up to the legal clinic and the other agencies in our community that are helping us in these projects, like the community health centre, to provide ID for people.

We appreciate the opportunity to provide our input to you. We recognize that there are numerous competing demands as the government plans the budget for the province. We urge you to remember the most vulnerable citizens of Ontario in your process. Thank you.

The Chair (Ms. Ann Hoggarth): Thank you. We'll turn to the government. MPP Des Rosiers.

M^{me} Nathalie Des Rosiers: Thank you very much for coming, and congratulations on your Law Society Medal.

Ms. Sarah Colquhoun: Thank you.

M^{me} Nathalie Des Rosiers: I think it reflected the tremendous work that the clinic has been doing and your great advocacy on this issue. I'm a big admirer.

Ms. Sarah Colquhoun: Thank you.

M^{me} Nathalie Des Rosiers: The clinic has been there for a long time, I think?

Ms. Sarah Colquhoun: Forty years.

M^{me} Nathalie Des Rosiers: When the government decided to increase legal aid funding, what did that change for you?

Ms. Sarah Colquhoun: It hasn't actually changed much for us. The first year of the additional legal aid funding, mostly for the clinics part of it, none of it went to northern Ontario clinics. It was all based on population, and when you deal with only population, northern Ontario always ends up with the short end of the stick, because we have smaller populations and a huge geographic area.

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The second year of funding, the northern clinics applied for funding as a group, so there are several positions that are going to be providing services in the whole north. They're just getting established now.

M^{me} Nathalie Des Rosiers: Do you have any other suggestions as to how legal aid could better serve your constituency?

Ms. Sarah Colquhoun: That's not something that I have prepared to speak about today.

M^{me} Nathalie Des Rosiers: Maybe think about it.

Ms. Sarah Colquhoun: Certainly.

M^{me} Nathalie Des Rosiers: I would love to talk to you about this.

Ms. Sarah Colquhoun: Yes.

M^{me} Nathalie Des Rosiers: Let's go back. A Roadmap for Change is something that you support. Are there any aspects of it that you—

Ms. Sarah Colquhoun: One of the things that's really important about A Roadmap for Change is the fact that they're establishing values and setting out how social assistance—how the scheme should be set up, acknowledging that people are on social assistance not because

they want to be but because they have to be, and that they should be dealt with with respect and dignity and not treated as though they're criminals. Often, that's what I hear from people: Because of all of the rules and the close way that every aspect of their life is examined, they feel like they're being treated like a criminal.

M^{me} Nathalie Des Rosiers: So when you raise the eligibility criteria for legal aid, does that change your work at all?

Ms. Sarah Colquhoun: It hasn't, because most of our clients are on social assistance already. Some of the work that we will be doing, in terms of employment law, for low-income people who have lost their jobs and need to make employment standards claims or Small Claims Court claims for wrongful dismissal—the increase in the legal aid eligibility will affect that kind of work. But as I say, most of our clients are already on social assistance, so they're financially eligible. It's not really an issue for us at this point.

M^{me} Nathalie Des Rosiers: I wanted to expand a little bit on the ID program that you have.

Ms. Sarah Colquhoun: Yes.

M^{me} Nathalie Des Rosiers: I've heard that also in my riding, in Ottawa—Vanier, that providing ID—what type of ID are you—

Ms. Sarah Colquhoun: It's mostly Ontario birth certificates from wherever the person was born. It's very interesting. You need ID to open a bank account, to enrol your kids in school, to get a health card. Most of the people who were coming to us when we started holding these—we had a social work placement from the university, and that was when we first started doing the actual clinics, where we publicized that we were going to help people: "If you come to our office at 2 o'clock next Friday, we'll help you apply for a birth certificate." There was overwhelming demand.

The Chair (Ms. Ann Hoggarth): One minute.

Ms. Sarah Colquhoun: We had people lined up out the door.

The Chair (Ms. Ann Hoggarth): MPP Des Rosiers, are you turning it over to MPP Colle now?

M^{me} Nathalie Des Rosiers: Did you say we just have one minute?

The Chair (Ms. Ann Hoggarth): Yes.

M^{me} Nathalie Des Rosiers: Okay. Do they get their health card with the photo—

Ms. Sarah Colquhoun: We generally just start with helping them get the birth certificate, which is the fundamental piece of ID for everything else.

M^{me} Nathalie Des Rosiers: Thank you.

The Chair (Ms. Ann Hoggarth): MPP Colle.

Mr. Mike Colle: I just wanted to say that we have the Ontario non-driver ID available at every Service-Ontario—

Ms. Sarah Colquhoun: That's right, but you need \$35 to apply for it, and you need a birth certificate also, before you can apply for that.

Mr. Mike Colle: But it's for five years, and you've got ID for anybody who doesn't drive.

Ms. Sarah Colquhoun: That's right, but you need your birth certificate in order to apply for that.

Mr. Mike Colle: You need documentation beforehand, but it is verifiable, it's plastic, and it's photo, so it's very helpful.

Ms. Sarah Colquhoun: That's right, and I think the government should provide that to people who don't have a birth certificate—for low-income people, people on social assistance—rather than them having to find that money.

The Chair (Ms. Ann Hoggarth): Okay. We're finished?

Thank you very much for your presentation.

Ms. Sarah Colquhoun: Thank you very much.

The Chair (Ms. Ann Hoggarth): If you have a further written submission, it needs to be to the Clerk by 5 p.m. on Friday, January 19. Thank you.

ONTARIO FOREST INDUSTRIES ASSOCIATION

The Chair (Ms. Ann Hoggarth): Our next presenter is the Ontario Forest Industries Association. The Clerk has already handed out their submission. It's like this.

If you would please identify yourself for the purposes of Hansard, you may begin your 10-minute presentation.

Ms. Jamie Lim: For generations, Ontario's forest sector has been putting wood to work responsibly and playing a vital role in every region of Ontario, connecting and supporting over 172,000 hard-working men and women.

By sustainably harvesting less than 0.5% of Ontario's renewable resource, we generated a domestic economic impact of \$15.5 billion and total wages of \$2.3 billion. We're proud of our performance as an industrial leader in greenhouse gas emission reductions, with our facilities reducing emissions by over 66% since 1990, far exceeding Ontario's 2020 and 2030 targets.

I would like to take this opportunity to thank the government for the phase 1 cap-and-trade program. It took a long time to establish this program, but in the end, meaningful, collaborative work between our sector and the MOECC on this program created a workable policy. I mention this because I think sometimes we forget that workable policy is the key to keeping people working in Ontario.

We harvest so little, yet the benefits are so great, with 57,000 people directly employed. And we can do more. Why? Because the world wants wood. This is our time to embrace and accept what forestry has to offer. The sustainable use of a secure supply of renewable wood results in well-paying jobs and a wide range of social and economic benefits.

Imagine if Ontario took it one step further and developed a provincial strategy, one with priority objectives that aim to increase the sustainable harvest levels of our forests. Let me put this into perspective for you: Ontario is three times geographically bigger than Finland—three times bigger—but we harvest 80% less: 80% less. That

represents lost opportunity. Unlike Ontario, Finland recognizes the growing value in its forests, and has developed a national forest strategy that sets priority objectives “aimed to achieve even better conditions for increasing the benefits derived from forest-based business and activities.” In Ontario, not having a comprehensive strategy to increase the use of our renewable resource represents missed opportunity.

As a province, we need to acknowledge that trees are the answer. Our forests can support increased harvesting, which would allow Ontario’s northern and rural communities to thrive.

All forestry companies must operate under the Crown Forest Sustainability Act. It’s the law. It was discussed earlier. But radical environmental forestry activists still want the public and government to think that even using less than 0.5% of our forests is still too much. Last September, we witnessed a co-ordinated effort by anti-forestry activists to portray our sector and our communities as forest destroyers. This, ladies and gentlemen, is simply not true. To set the record straight, stakeholders and First Nations leaders traveled long distances to be at Queen’s Park this past November.

Mayor Landry, president of NOMA, stated, “Decisions on policy need to be ... informed by the people who are most impacted. Arguments presented by those with special interests and no skin in the game cannot be viewed as credible. We are forestry. This is our backyard and we deserve to have a say in the policy that governs it.”

Chief Ed Wawia said at the same event, “The recent investments our community has made in the forest sector has created significant opportunities and hundreds of new jobs for First Nations.... The impacts of the proposed” provincial “rules have the potential to be catastrophic for First Nations.... These policy proposals threaten our future and I will not accept it.”

We’re very concerned that new, unworkable policy will curtail any future growth of our sector and have a negative impact on so many hard-working families. This year, professional foresters, as Matt Wilkie spoke to, voiced their concerns regarding the sustainability of the current approach to species-at-risk management. The current ESA approach is short-sighted, contrary to the intent of the CFSA, and endangers full-time, good-paying jobs.

1020

For example, despite an evolved understanding of caribou behaviour and ecosystem management within scientific literature, Ontario policy continues to focus solely on disturbance. In Ontario, we have 13 caribou ranges—all arbitrary, not based on the biology of the animal—and disturbance remains the only measure by which our sector’s efforts are being judged. Six of those ranges have no forestry operations, yet caribou populations continue to decline.

Climate change might be the single greatest threat to caribou habitat, yet we have not seen any efforts to address this in current policy. This past August, govern-

ment acknowledged to mayors that before it can proceed on ESA policy, government needs a better understanding about the impacts of climate change, the cumulative effects of all activity on the landscape, and a much, much better appreciation for the socio-economic implications.

Therefore, in order to develop a better understanding and achieve workable ESA policy, government needs time. We’re asking government to either fulfill their 2007 equivalency commitment to allow the forest sector to operate under one act, the Crown Forest Sustainability Act, or, at a minimum, extend the current section 55 rules and regulation for another five years.

During this five-year extension, practitioners, professional foresters, stakeholders and right-holders must be at the table from the very beginning, and their advice and input must be reflected in government direction. By having the people who have skin in the game at the table, we can and we will develop workable solutions.

Then there’s Lumber V—God help us. After a decade of decimation due to the recession and the 2006 lumber agreement, our sector is finally rebounding. Over the past few years, Ontario’s lumber sector has invested about \$200 million in restarting, restoring and replacing lost capacity.

Year over year, Ontario has had the greatest increase in lumber production in North America, producing 28% more lumber in 2017, compared to 2016. In the same time frame, other jurisdictions like BC experienced a 3% decrease. We’re rocking it. We need a softwood lumber outcome that works for all of Canada, not just BC.

While the price of lumber and housing starts may be favourable today, both can change on a dime, and we know this from experience. Nothing lasts forever. Today, Ontario lumber companies are facing over 20% in duty deposits, legal fees for Lumber V representation, uncertainty associated with the outcome of a bad quota-only deal and a shrinking supply of raw material.

If we enter into managed trade again, Ontario’s government must ensure that Ontario is guaranteed an export volume of 1.5 billion board feet under any and all circumstances. Anything less will put jobs and mills at risk.

Lastly, while Ontario’s forest sector is under attack by the United States, we are counting on our provincial government for some certainty.

The Chair (Ms. Ann Hoggarth): One minute.

Ms. Jamie Lim: Public access roads on crown land are the lifeblood of northern and rural Ontario. Primary and secondary roads are strategically important to natural resource development. If you limit northern and rural road infrastructure, you limit economic development of communities and resource sectors.

With the recovery of our sector, harvest levels have been increasing. Therefore, we are asking the government to restore the forest roads funding program to \$75 million.

In closing, in order to maximize the full potential of this sector, OFIA has made five constructive recommendations that are outlined in our complete 2018 submission.

It is our sector's ability to adapt and innovate that has allowed us to remain a foundational pillar in Ontario's economy for more than 150 years.

The Chair (Ms. Ann Hoggarth): Thank you, Ms. Lim. We'll move to the official opposition. MPP Fedeli.

Mr. Victor Fedeli: Thank you very much. Did you want to finish?

Ms. Jamie Lim: I have two sentences, Mr. Fedeli.

Mr. Victor Fedeli: Fire away.

Ms. Jamie Lim: Fire away? It's just that during this time of uncertainty, we have to make sure that the people who are working today are working tomorrow. That's a duty that we owe to the people in northern and rural Ontario, and the people behind me.

Mayor Sigouin from Hearst travelled all the way to be here today because forestry matters to Hearst. Forestry matters to all of us.

Mr. Victor Fedeli: Thank you. It was a great finish.

So here we are in Thunder Bay, home to one of the largest Finnish populations outside of Finland. You have a comparison here about Finland and their harvesting versus Ontario and our harvesting. Can you expand on that?

Ms. Jamie Lim: I sure can. I think you received it; it's a companion document to my short presentation this morning. On page 8 of that document, you can see an infographic. I am fascinated that a country that is a third the size of Ontario can be harvesting so much more. It just blows my mind. If you look at this infographic, in 2013, Ontario harvested about 14 million compared to Finland's 65 million. You would think Finland would be pretty happy with that, but no. In 2015, they put out a strategy, and by 2025, their target is 80 million cubic metres.

We listen to the fearmongers instead of listening to the professional foresters, the practitioners, the First Nations people and the mayors of communities. We listen to Margaret Atwood and Ben and Jerry's telling us how to do forest management in Ontario? Something is upside down.

Like Finland, we have to change our culture. We have to recognize that forestry is a renewable resource and can be sustainably used, and that we can increase the levels that we harvest in Ontario rather than decrease.

Mr. Victor Fedeli: When we last met, I think you met with all parties at Queen's Park with a group. You brought a lot of First Nations leaders and you brought mayors. Can you update us on any developments since then? Also, if you have any updated economic impact data for us.

Ms. Jamie Lim: Sure. In the 20 years that I've been working with government, both as a former mayor and in this role with OFIA, I'll tell you the event that we held at Queen's Park took my breath away. We had a CUPE media event at the end of November, and mayors, First Nations leaders, unions—Unifor and Steelworkers—and chambers of commerce travelled such long distances, from Kenora and Terrace Bay, all over this province, to come to Toronto to meet with all three parties and to share with you how important forestry is to all of us.

Sometimes you have an event like that and then things just die down—you move on; everyone's busy—and you get back to life. I can tell you, yesterday, in this hotel, we had the same coalition meet. We have new joiners. We have First Nations chiefs who are coming to the table. Peter Moen is here with us today; he was there yesterday. We're not going to let this happen on our watch because we owe it to future generations to make sure that my children, the children of First Nations leaders and the children of municipal leaders have good-paying jobs in northern and rural Ontario. You can't train us—

The Chair (Ms. Ann Hoggarth): One minute.

Ms. Jamie Lim: —to be something else. This is who we are and we're proud of it. This is a renewable resource. You've got to work with us so that we get workable policy that will keep mills open and people working.

On the economic numbers, MNR has done economic impact analyses and we've done economic analyses just on one prescription for caribou. There are 27 more. But just one prescription would cost us anywhere from 1,500 to 3,000 jobs. That's crazy. That will decimate towns.

1030

Mr. Victor Fedeli: Jamie, you said you had the greatest increase in lumber production—and you heard cheers from the members of the government. How do you respond to that then?

Ms. Jamie Lim: We've had the greatest increase in North America. Can you imagine? We should be putting that up in neon lights. That's why we have to work so closely with the professional foresters and First Nations and all of the people who have skin in the game, because we can keep people working and we can—

The Chair (Ms. Ann Hoggarth): Thank you.

Ms. Jamie Lim: You're welcome.

The Chair (Ms. Ann Hoggarth): If you have a further written presentation, it should come to the Clerk by 5 o'clock on Friday, January 19.

TOWN OF ATIKOKAN

The Chair (Ms. Ann Hoggarth): Our next presenter: the town of Atikokan. Good morning, sir. If you would give your name for the purposes of Hansard, and you may begin your 10-minute presentation.

Mr. Dennis Brown: My name is Dennis Brown and I'm fortunate to be the mayor of the town of Atikokan.

I have passed out—I believe there are two articles: One is a consultation and the other is a companion package, as Jamie said.

First of all, I would like to thank the members of the finance committee for coming here to Thunder Bay to listen to our concerns and hopefully act on the suggestions that are made.

With the financial assistance of the provincial and federal governments, the town of Atikokan has been fortunate to have many large projects completed during the past 12 years. We've been fortunate to have a new town hall constructed, rebuild Main Street, resurface Willow Road for about a mile, resurface the airport, do

sewage treatment plant upgrades, plan for a new landfill site to open this year, and we upgraded our recreation and wellness centre.

The revamped multi-purpose recreation and wellness centre will continue to be the hub of physical activities for the citizens of Atikokan and the surrounding area for many years to come. We have to thank the provincial government, especially our MPP Bill Mauro and the Minister of Northern Development and Mines, Michael Gravelle, for all the assistance.

We are at our limit now for borrowing—that's another issue—so we need the jobs. I have here four suggestions within my presentation, and one is on forestry, because that's one of the most important things that we're dealing with, as has been pointed out here already by others: Jamie and Matt and Rick.

The forest sector remains a cornerstone of not only Atikokan but also Ontario's sustainable economy, and will play a major role in assisting the province to reach its objective of transitioning to a low-carbon economy. In Atikokan, we had a mill that operated from 1949 to 2008, when things changed in the woods industry. But now another mill has started up. We have probably the newest sawmill in Ontario and maybe even Canada, and we want to make sure that it continues to thrive.

The forest industry has been the backbone of the economy of Atikokan and all of northwestern Ontario for many years. I want to pay tribute to Resolute because it was Resolute that started up the new mill. They opened a brand new sawmill in 2015. They have invested and reopened their sawmill in Ignace. Together, this represents 165 direct jobs, and another 300 jobs are associated with timber harvesting; log, chip, bark and lumber hauling; road construction; and yard service. Aside from Resolute, another company in our town, Rentech, makes wood pellets, creating about 25 to 30 direct jobs. It's important to point out that many of these jobs are being filled by First Nations and many of the contracts are awarded to First Nations businesses.

The wood pellets are sold to the Atikokan OPG plant, which is currently North America's largest 100%-biomass-fuelled power plant, and we need that plant to keep operating for many, many more years.

The town of Atikokan, in a way, serves as renewed hope. As I say, the mill closed down and started up again, and we need it to continue going on. That was the second time in Atikokan's history where we lost a lot of jobs. In 1980, both iron ore mines closed with 1,100 jobs being lost. Our population was once 7,000; now we're down to 2,800. Anybody who's employable in Atikokan and wants a job has a job. That's good news, but the right thing is to make sure that it continues.

I won't go through all of this on forestry, but as you know—at about the middle of the page there on page 3—the forest sector relies on two key drivers: access to a reliable, predictable and affordable supply of wood fibre for manufacturing, and access to markets. We need to make sure that that happens.

As has been pointed out—if you go to about the last paragraph—an area of major concern is the policies

related to the managing for caribou under the federal and provincial governments. In this handout here, on the second page, it shows you the different boreal forests in northern Ontario. This is where the wood for Resolute comes from, as it comes to Weyerhaeuser and a lot of the other mills, and so we have to really be concerned about that.

If you look specifically at numbers 41 and 42, Churchill and Brightsand, you'll notice that Resolute gets wood there for the mills in Atikokan, Ignace and Thunder Bay. That is about 1,700 direct and indirect jobs.

So the issue about having 65% undisturbed doesn't make sense, because the caribou do just as well, or maybe better, in areas that have been disturbed.

I have put down four points that would need to be considered as we move forward with forestry, and hopefully we will all take an interest in that.

The first point is on the section 55 rules and regulation. That is how the Endangered Species Act is covered under the Crown Forest Sustainability Act. It has worked well for all the forest companies ever since 2007. We should just keep it going that way. Why break up something that's working well?

Point 2: There should be some socio-economic impact done about the species-at-risk guide: What is it doing if we do this, this and this?

Point 3: As has been said, the stakeholders in northern Ontario haven't had much input into all this information on endangered species. We need to be able to provide input: the indigenous people, the communities, the businesses and so on.

If you go down—I have the part underlined—we have learned a lot about caribou migration patterns. One interesting fact is that caribou are declining in areas that have never been disturbed by logging or human interactions. We have also learned that forest fires, insect infestations and wind are changing caribou habitat.

It is important to note that logging practices emulate natural disturbances, but the benefit of harvesting in the boreal forest is that logging sequesters carbon, unlike natural disturbances that dump billions of kilograms of carbon back into the atmosphere. So we want the forest to continue on.

As Jamie said, we only harvest about 0.5% of the crown forests in Ontario annually. If we allow more wood to be set aside in these areas that I've noted here in the boreal forest, then it would be detrimental to the thousands of people who rely on a robust forest industry in northern and northwestern Ontario. The forest sector needs a wood supply in order to keep operating. The way that things are planned right now, if things aren't changed, Resolute, for example, figures that it will affect their mill, and it will probably affect all the mills in northern Ontario if they can't continue to get the wood like they are now from this boreal forest. So we need that.

That's on forestry.

The second point, a quick point: For a community like ours, 2,800 people, 90% funding by the province for

infrastructure grants is important, but there's a \$2-million cap on that. So if you're doing a project that's \$5 million, then you're going to pay more than 10% from the community. That's what is happening. Like I said, we are at a stage now where we can't borrow any more money. We are going to have to pay for it out of our income each year. So we'd like you to consider removing that cap.

The third point: We think that what AMO brought up—and I was part of it for some time—

The Chair (Ms. Ann Hoggarth): One minute.

Mr. Dennis Brown: —that 1% of the HST, makes a lot of sense. That's a way of solving the problem right across Ontario.

Our community is in the hundreds of millions of dollars in infrastructure deficit, just like all communities are. In order to get that money, 1% of the HST makes sense.

1040

The fourth point, on seniors' housing: I just want to thank the government for what you're doing there. There have been a lot of new initiatives coming out, and in Atikokan that's a concern. We need apartments for seniors, and we may be getting there.

Thank you. Hopefully some of these things will be acted upon in the days ahead.

The Chair (Ms. Ann Hoggarth): Thank you. This round of questioning is from the third party. MPP Vanthof.

Mr. John Vanthof: Thank you for coming, Mayor Brown, on behalf of the residents of Atikokan. I think your presentation reflects what people miss in politics and what people formerly missed in politics: The first important thing for a community to survive is jobs.

Mr. Dennis Brown: Yes.

Mr. John Vanthof: We've all been through the northern Ontario thing. I live close to Kirkland Lake and when the iron ore mine went down in Kirkland and when the gold mine went down Kirkland—Kirkland is also a town that is rising from the ashes, as your town is.

The second issue you spoke of was infrastructure, and that's incredibly important to every town. But you got rushed at the end and I think the topic of more housing for seniors—could you elaborate a bit more on more housing in your town?

Mr. Dennis Brown: Yes. We're an older population now, so there are a lot of seniors living in their homes in Atikokan who don't want to be in their homes but they can't leave their homes and go to apartments because there aren't any apartments. We've been trying to find entrepreneurs to build apartments in Atikokan for the last 10 years and it hasn't happened. But now, we're finally working with the same group that's constructing apartments in Marathon and Terrace Bay, and hopefully things may happen in Atikokan. We're just at the beginning stage. We did a survey and the survey was just completed on January 1. Hopefully we're going to be able to go forward that way.

We should say that the DSSAB now has been able to get some money—the Rainy River District Social Ser-

vices Administration Board—and they are helping us out as well. So some things may happen in the next couple of years in Atikokan.

Mr. John Vanthof: But in your opinion, the province could be a bigger participant in this?

Mr. Dennis Brown: Like I say, some things have been happening. There has been affordable housing money given out and that kind of thing. I think the province sees what the problem is, and they're trying. We'd just encourage them to keep on it because it's a problem.

Mr. John Vanthof: One thing that I noticed in my career as a municipal politician: A lot of provincial programs are focused, rightfully so, on growth, on communities that are growing, but not all communities are growing and many communities need to be there to support the people who work in the mines, the mills, the farms. Would you agree with me that there has to be a different focus to maintain communities, not just ones that are booming like in the GTA, but ones that are stable and supporting their industries that they created?

Mr. Dennis Brown: Yes. Like I said, at one time Atikokan had 7,000 people working here. Now we have 2,800, and a lot of those are older people, retired, but we still have all the amenities. We have the swimming pools and the skating rinks and the roads and ski hills and so on. That all is very expensive.

Mr. John Vanthof: But the people who are working now at the mill, they also need the town to provide services.

Mr. Dennis Brown: Yes. That's all part of why they are there. There are a lot of people who like to live in small towns.

Mr. John Vanthof: Thank you very much.

The Chair (Ms. Ann Hoggarth): Thank you very much for your submission, Your Worship. If you have a further written submission, it needs to be to the Clerk by 5 o'clock on Friday, January 19. Thank you, sir.

THUNDER BAY AND DISTRICT INJURED WORKERS SUPPORT GROUP

The Chair (Ms. Ann Hoggarth): I'd like to call on the Thunder Bay and District Injured Workers Support Group. Once you get seated, if you would identify yourself for the purpose of Hansard, and you may begin your presentation.

Mr. Eugene Lefrancois: My name is Eugene Lefrancois and I am the elected president of the Thunder Bay and District Injured Workers Support Group. When I was elected, it was a very hotly contested election. So like you guys, you have your elections; well, I have my elections too, and this one was dirty, it was sneaky, it was worse than, actually, the last election.

I don't have anything to hand out to you. It's just an oral presentation.

The first thing I want to say is that I represent a very diverse group of people. We have all walks of life, all colours, all political stripes—everyone. We have Conservatives. We have Liberals. We have NDP. We have

Green. Do you remember the Rhinoceros Party? We have members from there. And each one says that, no matter who's in power, you all take a kick at us. You kick the injured workers.

I've been in this game now—I got injured in 1985. I've been with the Thunder Bay and District Injured Workers Support Group since 1988. So I'm going into my, what's that—

Mrs. Cristina Martins: A long time.

Mr. Eugene Lefrancois: A long time. What I can't figure out is, why does each party, when they come in—why do they pick on WSIB? Is it just because of the employers, to generate business in Ontario?

Being the political person that I am, I have to stress that WSIB rates are not driven by the employers; they're driven by the political power that's ruling to use as political fodder or political gains or political friendship with the employers so that they can set the rates—right now, we're in the middle. We're at about \$2.40 or \$2.50, around there. We're not the lowest in Canada, but we're not the highest. So why does it fluctuate so much?

Then, when we get into the rates, we also have to talk about experience rating. I don't know if all of you are—how many of you in your offices do case work for injured workers? One, two, three, four. Okay. We send them to you because we are bound by law not to help anybody going to appeal. All we can do is give advice. That's all we can do. We're bound by law not to help injured workers to go to appeal.

I'll get back to experience, but speaking of appeals, right now at the OWA, if you were to start a claim today, you're probably going to have it done in four years. That's how long it will take: four years. So where do those people go for four years? Who bears the cost of that? Where do they go? Do they go on private insurance? If they were on private insurance, they wouldn't be on WSIB. So they have to either go on ODSP, CPPDB or Ontario Works.

Do they get paid during that time while they're waiting for appeals? Ontario Works will pay their client until the decision is made. I've asked this of Tom Teahen, the president of WSIB: "Why can't you pay the individual until the decision is made?" "Oh, we'll never get our money back if we win." Does anybody know what garnishing wages means? There are ways of getting the money back.

All the onus then goes onto the injured worker. The injured worker is penalized for a decision that was made in an office, that was not a decision made on policy but that was a political decision because we have to cut costs. Where do you cut costs? You cut costs on entitlement. Right now we have entitlement issues in appeal. Four years will go by before it's even heard.

I asked Tom Teahen one time how, if the Minister of Labour was to ask him, "We need money for the OWA so that they can increase their filings"—Tom Teahen told me—and there were some other people in the room: "All the minister has to do is ask me, 'How much do you need?' and I will cut the cheque, no questions." So if he

says that, why do we have a four-year backlog? It leads me to believe that it has to be a political choice.

1050

When Tom Teahen was hired—I got an email saying that everything was fair when they hired him. When David Marshall was hired before that, I never got that letter saying that everything was fair. When I get a letter saying that everything is fair in this hiring, when he's coming right from the Premier's office into WSIB, it leads me to believe that there's something afoot. It was not fair. This was planned all along.

I've got four minutes left. Okay.

So what is the cost? I can't get this information. You guys are going to have to get this information. What is the cost of housing when injured workers are in appeal? What is the cost of OHIP when injured workers are in appeal? What is the cost of welfare when injured workers are in appeal?

Back to experience rating: Experience rating, in 1984, was an experiment. They're going to entrench it very, very soon, probably within the next four months—well, less than that, because they want to have it before the next election. I don't know when things fall off the table, but they're going to have that entrenched.

Experience rating is wrong. Right from the get-go, it is wrong. If you have any power with the WSIB, the way you should administer the fund is to charge the employers and include every employer, the same as you would OHIP. Charge them the same way as you do OHIP. Then there would be no adversarial—the employers would have no fight to hide claims, to suppress claims, to make their workers invaluable.

I have a letter from an injured worker, from his employer. One day he got a letter of commendation. He gets injured, and from the same guy who wrote the letter, he got a condemnation. Why is that? It's because of rate-setting. You can't have an adversarial, money-making scheme and expect it to be fair. You can't. What recourse do injured workers have? We don't have much recourse at all.

We're figuring, and this is a conservative—I don't want to say Conservative or Liberal or NDP. There are 40,000 injured workers who get off the system, who have claims that go in and who fall out of the system. That's 40,000 a year, so last year is 40,000, this year is 80,000; I can go back until, I guess, Harris. He was not a friend of ours. He cut our pensions 21%, and so far we've got 8.5% back. We are down. This year I got a 1.5% increase in my pension. I heard rumours that it costs us \$1 billion per point.

Interjection.

Mr. Eugene Lefrancois: I know. One minute right now.

The Chair (Ms. Ann Hoggarth): One minute.

Mr. Eugene Lefrancois: It's \$1 billion a point. They cut the rates to employers last year. What cuts are they making at the WSIB to pay for that increase that I got? Do I have to organize injured workers around this province to say, "Do not take the increase"? What happens to the future injured workers?

I'm not even talking about deeming yet, and I've got about 40 seconds—deeming and the \$14 raise. The board is using that as a means to cut your benefits. At one time, you used to have jobs. Now there are phantom jobs, and that is illegal.

I'll stop on that.

The Chair (Ms. Ann Hoggarth): Thank you, sir. We'll go to the government. MPP Baker?

Mr. Yvan Baker: Thanks very much for coming in, for your presentation and for your passion around this issue, advocating for injured workers. I think the issue of making sure that injured workers get the support and the protection they need is something that my colleagues and I take very seriously. I say my colleagues here, but also mean my colleagues who aren't here, in government.

I say that because I think we've worked hard on this issue, and there are a few specific examples I can give you that illustrate that. For example, full indexation for partially or fully disabled workers is coming into effect by this January—

Mr. Eugene Lefrancois: Full indexation: I got 1.5% on that full indexation.

Mr. Yvan Baker: Yes—ending benefit clawbacks due to eligibility for Old Age Security benefits for those who were injured before 1989. I also know that injuries—traditionally, we've thought about injuries as being physical—

Mr. Eugene Lefrancois: And also not as PTSD, mental stress. But you're making it so hard to get it.

Mr. Yvan Baker: Okay, and that's good feedback; that's good feedback. Let me just finish what I was going to say, and then I'll throw it back to you.

We have chronic mental stress as a reality for too many workers, and they of course deserve the benefits and supports that are afforded to workers who suffer traumatic injuries, and stress as well.

I'm the parliamentary assistant to the Minister of Finance. I know that in the last budget, we expanded WSIB entitlement to those diagnosed with chronic stress. We're now proposing to ensure that the following cases are evaluated under the new entitlement:

- all new cases diagnosed on or after January 1, 2018;
- all cases currently with the WSIB or appeals tribunal; and
- all new cases diagnosed on or after April 29, 2014.

Anyway, I guess what I would say is, these are examples of how the government is trying to really tackle this issue. We take it seriously. Folks who have been injured, whether they face physical injury or whether they face chronic mental stress, deserve that support.

These are just some of the things. That said, I've heard your feedback on how we could do better. We will take that back; I will take that back to Minister Sousa. I appreciate that very much. But I wanted you to know that this is something that's top of mind for sure.

I guess I'm wondering whether, in addition to anything that you mentioned during your presentation, there was anything else that you would suggest to us that we could take back to the minister to help improve protection for injured workers.

Mr. Eugene Lefrancois: The only thing I could think of is in cabinet—I don't know if all of you can go to cabinet, but in cabinet, that's where they make all these decisions, policy decisions that they okay from the board. There's got to be a law against that. You guys are making decisions in cabinet that have so much effect on the lives of Ontarians. For instance, I. David Marshall passed five policies. They did not go in front of the House and they should have gone in front of the House; then it would have had a chance for a debate. But no, what they did was they went around the House into cabinet, and got it okayed there.

All I can say is, if anything, put pressure on the WSIB to bring the rates as OHIP. Include every employer in Ontario. You have more than enough money—and the unfunded liability is met. It's dealt with. They have more money than they know what to do with, yet it's so hard to get on WSIB now. If you've got a missing arm, okay, fine. That's great. But if your arm is all bruised and everything, they could blame that bruise on something that happened outside of work. Even though it was a legitimate accident, they blame it on something that happened pre-existing.

The Chair (Ms. Ann Hoggarth): One minute.

Mr. Eugene Lefrancois: Bad backs—and I'm just using for OHIP, because this is the thing. If I got sick and I went to the doctor, my employer doesn't say, "Why did you go to the doctor?" If you treat it all as OHIP, like the rate framework is OHIP, you wouldn't have that employer bugging every worker: "Well, you're bringing my rates up." No, because everybody would be paying the same.

If that's the only thing you can do, put the pressure on WSIB to cut that experience rating or, as they say, the rating experience, because it sucks. It is going to damage injured workers.

Employers are great for this because the little guys are going to be paying for the big guys. That is not how it's supposed to be designed.

1100

Policies: Put them in front of the House. Let the debate happen. Don't hide them in cabinet. Shit just happens, but it happens to injured workers more than everybody.

The Chair (Ms. Ann Hoggarth): Thank you for your presentation.

Mr. Eugene Lefrancois: I don't know if I answered your question.

Mr. Yvan Baker: No, you did.

The Chair (Ms. Ann Hoggarth): Thank you. If you have a written submission, it needs to be to the Clerk by 5 o'clock on Friday, January 19.

Mr. Eugene Lefrancois: I could just rip off my notes.

ONTARIO CHAMBER OF COMMERCE

The Chair (Ms. Ann Hoggarth): The next presenter: the Ontario Chamber of Commerce. Good morning, sir. When you get settled, if you'd like to identify yourself

for the purpose of Hansard, and you may begin your presentation.

Mr. Rocco Rossi: Bonjour. Merci.

My name is Rocco Rossi, and I'm the president and CEO of the Ontario Chamber of Commerce. I'm delighted to be here in Thunder Bay and have the opportunity to present to you our recommendations as part of the government's consultations. On behalf of the OCC and the Ontario Chamber Network, thank you for the invitation to speak today.

I'm also joined by OCC director and local Thunder Bay businessman Nathan Lawrence, and you've already heard from another of our directors, Jamie Lim, from the OFIA.

I'd like to particularly thank the Thunder Bay Chamber of Commerce and Charla Robinson, who will be elaborating on some local, more northern-specific iterations of our recommendations.

Our recommendations today draw from the extensive repertoire of advocacy work from our 135 chambers and boards of trade across Ontario along with original data and research from over 60,000 of our members.

Businesses in communities across the province—including right here in Thunder Bay—provide opportunities, contribute to the development of skills, promote the creation and dissemination of knowledge and improve the lives of Ontarians.

This past year, Ontario experienced stronger than anticipated economic performance. This has contributed to higher revenue growth in Ontario than in all of the G7 nations, including Canada, but in the immortal words of that great Ontario philosopher Walter Gretzky, as heard through his son Wayne, we're not going to skate to where the puck has been, but where it's going to be.

A recent memo from the federal Ministry of Finance that the CBC has reported on indicates that the annual growth rate is expected to be lower, at 1.7%, from this year through to 2022.

Our province faces significant risks stemming from uncertainty about US economic policies, specifically when it comes to trade, taxation and migration. In order to maximize economic growth, Ontario's fiscal policies must confront those challenges.

In our recent Business Confidence Survey, which will be formally released as part of our 2018 Ontario Economic Report later next month, 62% of our members indicate that they are not confident about the economic outlook of the province due to the high price of inputs such as business costs and electricity. Our members have made it clear: The rising cost of doing business in Ontario is hindering their future growth and prosperity, and Ontario's by extension.

Leading economists who have run the numbers on the impact of Bill 148, including the Canadian Centre for Economic Analysis, TD Bank, the Financial Accountability Office, the Bank of Canada and the Conference Board of Canada, have all concluded that job losses will be significant.

An analysis by CANCEA outlined in the fall of 2017 indicates that Bill 148 alone will generate a \$23-billion

hit to Ontario businesses. Now, clearly, there's some stimulus that comes from this, which was estimated at about \$11 billion. That leaves a \$12-billion gap that you're asking businesses to absorb.

In the fall economic statement, the government committed to "creating economic opportunities and providing the right conditions for businesses to succeed." However, we strongly believe that the commitments provided in the fall economic statement were insufficient for Ontario business to succeed and, therefore, the overall economy. Measures taken by the province in the fall economic statement to reduce the small business tax deduction by one point will have the impact of reducing jobs at risk from CANCEA's projected 185,000 over the next two years to 171,000—14,000 of the 185,000. Clearly, more action must be taken.

This province possesses tremendous advantages, but we must seek to further leverage them in order to achieve continued economic prosperity. As we enter into 2018, the time is right to have an evidenced-based conversation on increasing Ontario's competitiveness. We can do this by reducing the costs of doing business across the province and discussing the impact of tax reform in the United States.

As Ontario's business advocate, we have 11 recommendations for the government that will allow Ontario to address key challenges for our members. We've provided you with our full pre-budget submission, and I will highlight just a few of the key recommendations.

The first recommendation is taken directly from Kitchener-Waterloo, from a policy resolution of our 2017 annual general meeting. Ontario needs a strategic plan for long-term economic growth, one that includes a competitive tax system that encourages investment by both businesses and individuals.

Some 71% of private sector jobs can be attributed to the activities of small to medium-sized enterprises. The vast majority of our members, and businesses in general, are not billionaires sitting on private jets heading to offshore accounts. They're your neighbours. They're people in your community trying to build independence for themselves, their families and their community.

We recommend that the government of Ontario create a bracketed small business deduction. Currently, all businesses with an annual income of less than \$500,000 are taxed at a flat rate, but we all hear about Ontario's and Canada's scale-up challenge. We're very good at creating new businesses but not that great at getting to scale. Specifically, the US does a much better job of this and has had more success.

Our direct competitor states in the United States, specifically Michigan, New York and Pennsylvania, have much lower state corporate taxes than we do in Ontario. For example, in Michigan, the state corporate tax is 6%; in New York, it's 6.5%. Both are much lower than our provincial corporate tax rate of 11.5%.

The US nationally is now pursuing tax reform that's going to lower the American federal corporate tax rate from 35% to 20%. Our combined provincial and federal

corporate income tax rates in Canada are already much higher than any in the United States. If these tax changes go through, businesses throughout Ontario run the risk of becoming even more uncompetitive.

With the cost of doing business in the province continuing to increase and Ontario employers taking on one of the largest wage increases in recent history, we recommend that the province reinstate its scheduled reductions in the provincial corporate income tax rate, reducing that rate from 11.5% to 10%, as was promised in 2009. This will help make Ontario businesses more competitive vis-à-vis our neighbouring states while still giving us higher rates with which to do the necessary social programs and other initiatives that as a society we wish to accomplish.

A competitive tax system that encourages investment and minimizes administration and compliance costs must be a part of Ontario's long-term strategic plan. Taxing smarter and introducing additional tax brackets to allow for scale-up will incentivize economic growth, increase competitiveness and drive innovation across the province.

Our last highlight today is on government spending. When it comes to government spending, we recommend that the province focus on spending to maximize growth and returns. By 2041, Ontario's population will grow approximately 30% and our infrastructure must be able to support that.

Transportation infrastructure is a key concern for our members when it comes to remaining competitive. Some 38% of our members indicated that transportation infrastructure, without even taking into consideration public transit, is critical to the overall competitive nature of their organization. When you add the importance of public transit, 28% cited that public transit was critical to remaining competitive, and in the GTHA, a staggering 45% of our members cited it as critical.

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We applaud the past investments in the Big Move, but we recommend that government demonstrate a commitment to dedicate a portion of its new infrastructure spending to support the Big Move's Next Wave projects as critical to the future of this province.

While this year the number one issue for our members is the challenge of input costs and taxes, last year it was access to talent. We are pleased to see the government taking significant steps on improving the transition from school to the workplace and on modernizing our apprenticeship system. We need to continue to keep these issues top of mind. Thank you for your consideration.

The Chair (Ms. Ann Hoggarth): Thank you. Perfect timing. To the official opposition: MPP Oosterhoff.

Mr. Sam Oosterhoff: Thank you very much for appearing before the committee today and presenting the perspectives of the Ontario Chamber of Commerce. Obviously, these perspectives, I hope, are heard by the government and are paid attention to.

One of the facts that we have to keep in mind when we're having these discussions about the impact of the

budget on SMEs is really that line that "Some 71% of private sector jobs can be attributed to the activities of small and medium-sized enterprises." I think that's so important. We obviously want to grow that number and see more and more jobs—steady, well-paying jobs—here in the province of Ontario.

I want to start by asking very quickly: When it comes to trade, taxation and migration, which you mentioned, and the significant risks that we're facing, as we see the increases in taxes here in the province of Ontario—now one of the highest-taxed jurisdictions in North America, I believe, at 53.5% in our top bracket, compared to 54% in Nova Scotia, but essentially the highest in North America—what sort of impact will that have on migration, as we're seeing these changes south of the border? What sort of impact is that going to have on our competitive advantage, and what does that look like for SMEs and the job market going forward?

Mr. Rocco Rossi: Look, all decisions around where you're going to move, where you're going to live, where you're going to raise a family and where you're going to invest have all kinds of factors involved. But clearly, taxation levels are a key factor, both in determining the quality of life around you and in determining the kinds of risk that you're willing to take.

Clearly, what we're seeing in the confidence index that we'll be presenting through our Ontario Economic Report is that our businesses are losing confidence by that combination of increased input costs that include much higher tax levels than anywhere else in North America. That is not a healthy thing for brain drain, it's not a healthy thing for decisions with respect to investment, and when you layer on the uncertainty that all Canadians and Ontario businesses, in particular, are feeling with respect to the ongoing NAFTA discussions, it's not a recipe that is particularly healthy for growth.

The Chair (Ms. Ann Hoggarth): MPP Wilson.

Mr. Jim Wilson: Thanks, Mr. Rossi, for appearing today, and congratulations. I understand that it's day 12 as president and CEO of the Ontario Chamber of Commerce.

Mr. Rocco Rossi: Yes, that's why the directors are here: to make sure the training wheels are on.

Mr. Jim Wilson: You didn't get a chance, in the last of your prepared remarks that we had before us, to talk about the skilled trades. Are we getting any better in the province in training young apprentices and making sure that skilled trades are available to businesses so that they can conduct business?

Mr. Rocco Rossi: This is an area where, again, I want to applaud the government for its interest and activity in the area. I understand that Minister Matthews will be making a further announcement with respect to apprenticeship.

But as was identified by our members in last year's work and in our skills gap analysis, there is an enormous gap that still remains between the jobs that are chasing people and our young people who are being trained for jobs that don't exist with skills that aren't particularly

applicable. So we're still doing a disservice both to our young people and to our business community that's then having difficulty in seeing this as a critical obstacle in growing prosperity in this province.

Mr. Jim Wilson: Just on that, would the chamber like a bigger role in helping government to close this gap? Because clearly, we're not really doing it in government; we're not doing a very good job.

Mr. Rocci Rossi: It is an area where we're more than happy to add our expertise, because clearly, we've got that direct line to the businesses—what it is they're looking for and how we can plan forward—and again, not just to look in the rear-view mirror, but to look at where jobs are evolving and where those labour needs and labour shortages are going to happen.

When you have unemployment, it seems to ring harshly in the mind to hear that we have skill shortages, that we have jobs going begging. That is shame on us for not doing a better job for our young people.

The Chair (Ms. Ann Hoggarth): Thank you. That's it. Thank you for your presentation. If you have a further written submission, it needs to be in to the Clerk by 5 o'clock—

Mr. Rocci Rossi: There is, and it's being distributed.

The Chair (Ms. Ann Hoggarth): Okay. Thank you, sir.

UNIFOR LOCAL 229

The Chair (Ms. Ann Hoggarth): Our next presenter will be Unifor Local 229. Good morning. Welcome. Once you get yourself settled, if you would identify yourself for the purposes of Hansard, and your 10-minute presentation can begin.

Ms. Kari Jefford: Good morning. Kari Jefford, president of Unifor Local 229. To my right I have Angie Martz—she is our financial secretary for Unifor Local 229—and to my left, Suzanne Pulice, who's our vice-president.

Thank you for hearing from us this morning. I just wanted to say, congratulations on Bill 148. As a union, we have a very different view from some of the comments made by my brother presenter before me.

Thunder Bay and the district of Thunder Bay are where we primarily represent about 1,500 members in the following hospitals: St. Joe's hospital, Thunder Bay; Nipigon District; Atikokan General; Geraldton District; Manitouwadge General; McCausland; Wilson Memorial and Sister Margaret Smith—hospitals covering more than 1,305 kilometres of northwestern Ontario. We also represent hundreds of long-term-care workers in Thunder Bay, in municipal for-profit and not-for-profit long-term-care homes, assisted living homes, home care and retirement facilities. That is about half of our membership. The rest are mostly in health care and in the helping or social services agencies.

I'm going to pass it over to my sister on my right.

Ms. Angie Martz: Just to speak to gaps in service, what public hospital services have been cut and what services are needed in our communities?

Hospital care: Over the last two and a half years, at St. Joe's hospital alone we've seen two major restructurings go on. There have been beds cut or moved during a renovation to the palliative and hospice unit that have never come back. We have recently, in 2016-17, seen a drop of seven beds and seen our staffing levels cut across nursing and total staff, including rehab assistance and therapeutic recs.

The need for beds has not decreased. In fact, they've reopened, never closed, or the beds are added to the dining rooms and extra beds put into ward rooms. The staff levels have only increased on one of these units.

We are still down more than 20 positions over the past three years in nursing alone. Rehab assistants are being expected to assist with toileting and transfers in and out of beds, counting this as rehab services. The daily demands on nursing staff have doubled. Environmental services are reporting only doing half of the VRE and terminal cleans in the hospitals, and dietary are cutting corners, causing significant injuries.

Some of the largest gaps in service include no access to a primary care physician for people who are not able to attend regular Monday-to-Friday appointments, and the lack of an urgent care clinic. For example, someone requiring antibiotics for an ear infection or a bladder infection could go to a clinic that offered lab services instead of an ER.

There is also a very large strain on the ER due to people suffering from addictions. Often, patients who require a safe medical monitoring place to sober up or sleep it off are filling ER waiting rooms and hallways. It might be beneficial to have a medically monitored space for these patients to be taken to instead of being taken by ambulance to the ER or ending up in the city jail for the night. There are no services other than a medical detox with very few beds available. The patients must first be cleared medically before having the opportunity to detox if a bed is open. If not, they usually end up back out on the street and back into the ER hours or days later.

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Mental health services are also some of the largest drains on the system simply since there is very little or no collaboration between health and social supports. A young child or adolescent suffering from a mental health issue often receives no diagnosis, no treatment or access to supports. This is one of the key determinants for positive outcomes.

The Chair (Ms. Ann Hoggarth): Six minutes.

Ms. Angie Martz: They are often labelled as behaviours or troublemakers and most are not even aware they are unwell. I see first-hand the suffering in this age group, which left untreated is often leading to addiction, violence and the criminal system. Once youth are in the throes of this path, it's unlikely that they will recover.

Our paramedics and police are not equipped to deal with mental health patients. The emergency room is not a safe or appropriate place for someone suffering from mental illness. The follow-ups, or supposed follow-ups, for patients leaving the hospital—are non-existent, nearly

impossible to navigate, and unless you have unlimited finances to pay for services, they are not accessible to 90% of the patients.

Ms. Suzanne Pulice: Long-term care: Current long-term-care beds available in Thunder Bay are 1,116. Some 33 people move into long-term care per month. There are six long-term-care homes in Thunder Bay: one municipal nursing home with a staff ratio of 1 to 7; two not-for-profit homes with staffing ratios of 1 to 10; and three for-profit homes with staffing ratios of 1 to 14. Our current wait-list for long-term-care beds is 803.

Many families are waiting to move a loved one into the very best facility, their number one choice. This could mean years of waiting, sometimes resulting in ALC beds being blocked both at the Thunder Bay regional hospital or St. Joe's hospital.

The staffing ratios in all homes are difficult at best; however, the ratios in the for-profit homes are unbearable. There are no minimum hands-on-care staffing levels for those living in long-term care. There are no regulations on how many baths someone gets or how many staff are there to feed, toilet or even help you dress. This needs to be addressed immediately. The front-line staffing levels must be increased. Minimum, measurable levels of hands-on care and front-line staff are key to the health of patients, residents and caregivers.

In Thunder Bay we are in a crisis shortage of nursing staff for all long-term-care facilities. Great efforts have been made in order to attract and gain qualified staff at municipal, not-for-profit and for-profit homes. Staffing agencies from southern Ontario and out of the country are working in our long-term-care facilities and still there are massive shortages.

It is our belief that, based on the type of work, the compensation and the working conditions are preventing many potential workers from entering the PSW and RPN careers in long-term care. PSWs in long-term care are often working short or have patient loads of 1 to 28 or more. The work is very physical but is also violent and emotionally draining. There are 64 open beds currently not filled at HRM due to staffing shortages.

Violence in health care is increasing daily, especially in paramedicine and long-term care. Physical assaults and verbal and sexual abuse are occurring daily, sometimes numerous times daily. The overcrowding or understaffing of our health care facilities is the biggest contributor.

Long-term care was not designed for patients with several complex medical and mental health issues. It was designed for patients at the end of their lives to be supported. We have specialized hospitals to care for medically complex patients, homeless patients, addicted and mentally ill patients, developmentally disabled and physically disabled patients who required special care. These patients are now living on the street, in custody or living in long-term care. Patients who are in their forties with dementia are sharing a room with a frail 90-year-old with several medical complexities, or the dual-amputee, 52-year-old, homeless alcoholic with violent behaviours,

or the 60-year-old MS patient who knows there is no other place for her to get the care and support she requires, and who knows she will live out the rest of her life in this type of facility.

Mental health providers, long-term-care providers, home care providers, community paramedicine, pharmacies, paramedics, hospitals, homeless shelters and all other community service providers should be meeting together, or at least communicating their needs and ideas, on how best to support the people of Ontario. It is our opinion that there are as many opportunities to collaborate and create a full-service model of care as there are gaps in services.

The Chair (Ms. Ann Hoggarth): One minute.

Ms. Kari Jefford: I'm not going to finish reading the really great paragraphs that I was writing in the middle of the night, but basically what we're trying to say: We, as a labour organization and as full-time service representatives of our membership in our local—more than 3,500 members—see these struggles absolutely every single day. We've been crying to say that we're in crisis for more than 10 years. Long-term care is in crisis, which backs everything up.

Specifically, we have a 541-bed, brand new, not-for-profit long-term-care facility that is finally finished, and 64 of those beds are unused. They're empty. As we speak today, 32 of those beds are being filled by patients from Thunder Bay Regional Health Sciences Centre, as approved by the ministry late Friday night. They'll be moving those patients from the region over to long-term care, which is hospital patients moving into a long-term-care facility which is not set up. There's no oxygen, no call bells—all of those basic requirements—because we're in such crisis. I've spent three weeks in the hospital with my daughter suffering from mental illness—

The Chair (Ms. Ann Hoggarth): Thank you.

Ms. Kari Jefford: —and she is in big trouble. Our system is in crisis.

The Chair (Ms. Ann Hoggarth): We will go to the third party. MPP Vanthof?

Mr. John Vanthof: Thank you very much for coming today. It's so frustrating, because you'd think that of all the things that people expect the government to get right, it's health care.

You've touched on so many issues. There are just a couple that I'd like you to expand upon. When a bed is closed in a hospital but the bed physically doesn't close—you touched on it, but a lot of people don't understand. What happens?

Ms. Kari Jefford: Basically with that particular piece at St. Joe's hospital, the hospital can no longer fund. They don't have the money to keep someone in that bed. There is specific funding attached to specific reasons that you're in the hospital—alternate level of care, long-term care—so the government funds based on those types of people in those beds. If you have people in the beds who you're not being properly funded for, staffing, feeding and all of that other kind of nursing envelope is not attached.

So in order to say, “We’re going to take out those seven beds”—they actually never left. They just kind of hung out there in limbo, the idea being that we can no longer fund, under our budget, that type of care in that bed. Hopefully someone else will come in on an alternate level of care who requires a little bit more hospital care but not regional hospital care, and shuffle those other folks into long-term care.

There are 803 people waiting for long-term care, so they have to go somewhere. They’re sitting in Thunder Bay Regional in the hallways. Patients are paying out of their pocket what they would normally pay in long-term care to keep them there. There’s the idea that, “I don’t want my loved one to go to specific long-term-care facilities or a type of care,” so some of those beds are open.

Literally, walk into any emergency room in—I would say Ontario, but spend some time in our emergency room here, where we built one hospital to facilitate a district that can’t do it. And it’s not just Thunder Bay Regional; it’s Nipigon—and we service all those hospitals. We have members right across the North Shore. We are in crisis everywhere.

I think the biggest key issue is that everybody is working in a silo. We have children’s services here, youth services here, mental health services here. We have hospital care and long-term care. Nobody is driving that one specific bus to say, “Even though I’m accessing care at the emergency room, what I really need is care and supports in mental health.” None of that is working together.

Mr. John Vanthof: You used the word “crisis” in your presentation, and you’ve just mentioned it now. When I think of a crisis, I think of something like a catastrophe, like an earthquake. But this hasn’t happened in the last month or two months; this has been steadily building up over years.

Ms. Kari Jefford: Yes.

Mr. John Vanthof: Obviously, people have tried to identify this issue over years. What do you think is the issue why no one has—

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Ms. Kari Jefford: I think when we’re closing beds, closing psychiatric hospitals and closing institutions where we used to be able to support people with severe developmental or physical disabilities, where we had more supports for people who are suffering from mental illness and addictions before they ended up on someone else’s file—I think that’s what’s happening. What we see now is the result of that. If you walk into any long-term-care facility—I get reports daily that someone was choked. One of my nurses had a towel wrapped around their throat and was choked to an unconscious level by a resident who should have been or would have been supported in a psychiatric facility or at least assessed—get some different meds, get a different plan of care and move back into long-term care. That’s what’s happening. I’m not exaggerating when I say there are people with addictions issues living in long-term-care because there

isn’t a place on the street and there isn’t family to take care of them, but there isn’t a solution. We’re mixing all of those people together.

People are dying. Patients are dying. The emergency room people are physically—we are in crisis. Absolutely.

Ray of sunshine—I know.

Mr. John Vanthof: My mom just went into long-term care. The people working there are doing the best they can, but the conditions and the people she’s with—it’s shocking. Those people have huge issues, and they don’t belong where they are. For the government to not identify that for so long, that truly is a crisis.

Thank you very much for coming.

The Chair (Ms. Ann Hoggarth): Thank you. If you have a further written submission, it has to be to the Clerk by Friday, January 19.

Ms. Kari Jefford: Thanks.

RESOLUTE FOREST PRODUCTS

The Chair (Ms. Ann Hoggarth): Our next presenter: Resolute Forest Products. Good morning, sir. Once you get settled, if you would identify yourself for the purposes of Hansard, you may begin your 10-minute presentation.

Mr. Roger Barber: Great, thank you. My name is Roger Barber, and I am joined here by my colleague Georgann Morriseau. We are both with Resolute Forest Products.

Resolute is an integrated forest products company. We have facilities in both Canada and the United States, and we’re Ontario’s largest forest products company. We have mills mainly in northwestern Ontario: in Atikokan, Ignace and Thunder Bay. We produce a variety of products, ranging from pulp and paper to lumber as well as some newer products, like wood pellets and bioenergy.

In recent years, we’ve invested a little bit more than \$150 million in Ontario to create what we believe are world-class assets. Together with our primary contractors, we directly employ about 2,200 people in Ontario.

For our company to be successful, we really need three key ingredients. The first ingredient we need is reliable and affordable access to raw materials, and for us that’s trees; secondly, we need access to markets, and in particular we need access to the US market; and thirdly, we need a competitive environment in which to conduct our operations. Those are the three areas I’m going to touch on today.

With respect to access to resources, we’re facing serious uncertainty regarding our future wood supply. This uncertainty is not related to a declining resource; there are lots of trees growing out there, and forest management in Ontario has done extremely well over the last half-century. This uncertainty is related to government policy primarily driven by Ontario’s Endangered Species Act. You’ve heard a lot about that today; I’m not going to go over things that you’ve heard from other folks. But I would like to say that for forestry, the Endangered Species Act is unimplementable without

catastrophic impacts on our wood supply and without the introduction of crushing regulatory burden.

That's why the forest sector has been operating under an ESA section 55 regulation since the act was passed back in 2007. That allows the sector to operate under the Crown Forest Sustainability Act, which is a world-class piece of legislation that provides a balanced way to manage for forestry operations.

The section 55 regulation will expire in July of this year, and that means that the forest industry would be subjected to the full force of the ESA. There's yet to be a workable solution developed to handle this problematic act.

Our ESA wood supply impacts that we've done at Resolute show that under the ESA, as it's currently being proposed, and under the prescriptions that are currently proposed, we would have to close at least one sawmill, and all of our other assets in Ontario would be wood-supply restricted. In other words, they wouldn't have enough fibre to run at full capacity—very scary thought. This means lost jobs and contractors going out of business, and it means communities, again, in economic peril.

This situation is very concerning to us, as it should be to all of us. It's not unique to our company. If this plays out, it will happen across Ontario with other companies in other regions of the province, so we recommend that the ESA section 55 regulation be extended for a further five years in order that there is more time provided to find some kind of a balanced solution, and that the CFSA be given equivalency with the ESA for managing species at risk. We would recommend that species regulations, as they're currently drafted, be redone with appropriate input from forest practitioners; that impact assessments be done before implementing any of these forestry prescriptions so we know what's going to happen before we charge ahead; and that a multi-stakeholder panel that would involve communities and First Nations, in particular, be formed to oversee the development of a balanced ESA solution.

With respect to markets, Resolute's primary market for the majority of its products is the United States. We've been threatened in a couple of ways with access to this market. Firstly, we've been the target of a major market campaign from special interest groups like Greenpeace who try to influence our customers' buying patterns with misleading and sensationalized claims about forestry practices. In this regard, I think Ontario is doing a very good job in helping us educate our customers about the real story in Ontario, because forest management is a real success story here.

But, secondly, our sector has been the subject of some very dangerous trade actions from the United States, primarily concerning softwood lumber, but now spreading to other things that we produce, like newsprint. It's pretty early in the newsprint case to know exactly how it's going to play out, although we're paying duties on that product now, but the lumber action is the fifth one, and it's following a very well-established and well-worn

path. In short, US lumber producers allege that Canadian lumber is subsidized through below-market stumpage and through various other government programs and that Canadian producers dump lumber into the US at below-market prices. The US regulators then selectively choose data in order to implement the highest possible duties on shipments, and then they try to force a bad agreement upon Canada, usually based on shipment quotas.

It's worth noting that never in the history of this dispute have these claims ever survived a legal challenge, either at WTO or through NAFTA. Canada always wins, but the claims keep coming back.

Quota agreements are particularly concerning for Ontario. During the last agreement, under a quota, Ontario lost about 50% of its lumber capacity. It was crushed. The region just went completely in the tank. Over the last few years as markets rebounded, Ontario has seen a lot of investment to get back into lumber production. We're nowhere close to back where we were prior to the last SLA, but we're getting better and we're getting closer. First Nations, it's important to note, have been a huge contributor to this reinvestment. They put a lot of money into the rebound and they're benefiting significantly from the recovery.

Any new quota-based lumber agreement has to provide for Ontario's increased production, or there will be a stranding of investment and loss of jobs as mills and contractors would be forced to close down operations, so when it comes time to make a deal, that's very, very important. We would recommend that Ontario continue to make available all the necessary resources to vigorously defend the sector against these unfair trade actions, and also that Ontario ensures that any new softwood lumber agreement provides adequate access to the US market for Ontario to be able to ship its current lumber capacity, which is 1.5 billion board feet—an important number.

In order for businesses to succeed, there also has to be a competitive operating environment, and that means competitiveness in areas such as labour, electricity, regulatory burden, infrastructure and so on. In 2005, the Minister's Council on Forest Sector Competitiveness recommended and implemented several initiatives, mainly around electricity pricing, public forest access road infrastructure and hardwood stumpage, all designed to make the sector more competitive. These initiatives have evolved over the last number of years, but they all remain in place and they're critical for sustaining today's forest products businesses.

Funding for public forest access road construction was one of the report's key recommendations and is an example of how good, targeted infrastructure programs can really act as a catalyst for investment. In 2017, Ontario returned the roads program to its original funding level of \$75 million and at the same time they targeted some of these funds to support regions of the province that were just getting back into production. Public forest access road funding has been vital in helping many companies and communities, such as the Whitesand First Nation, to get back into business this year—a really, really important program.

Ontario has also embarked on an aggressive environmental agenda, mainly to reduce greenhouse gas emissions and to improve air quality. These two initiatives can potentially be very impactful on the forest sector if not done properly.

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Since 2000, Resolute has reduced its GHG emissions by 73%. Fortunately, the current cap-and-trade program correctly takes into account past reductions and competitiveness issues for covered entities such as our Thunder Bay pulp and paper mill. But further reductions will be costly as lower-capital-cost projects have already been implemented, and there are limited options in some areas to mitigate some of the increased costs. That has made this sector of the industry less competitive against its main competition, the US, when we have environmental regulations that drive our competitiveness the other way.

For further GHG reductions, programs for industry transformation will be key in achieving those objectives.

The Chair (Ms. Ann Hoggarth): One minute.

Mr. Roger Barber: With respect to air quality, we also have serious concerns. The currently proposed SO₂ standard is much lower than in other jurisdictions in North America, and it's not achievable with our current equipment and processes. Despite a 42% reduction in SO₂ emissions since 2006, further modifications would be very costly.

In addition, the Canadian Ambient Air Quality Standards identify northern Ontario as a zone that requires no further management action on SO₂ due to its good overall air quality at the community level, so it would be justified for Ontario to maintain the current SO₂ standard for the north.

We recommend, in competitiveness, that the public forest access roads program be maintained at \$75 million; that current stumpage and electricity programs be maintained; that appropriate industry transformation programs be developed to assist in GHG reduction targets for the future; and that the northern Ontario standard for SO₂ not be changed, at least for the north.

The Chair (Ms. Ann Hoggarth): Thank you very much.

Mr. Roger Barber: Thank you.

The Chair (Ms. Ann Hoggarth): The government will have this round of questioning. MPP Martins.

Mrs. Cristina Martins: Thank you very much, and good morning. It's wonderful to be here in Thunder Bay. I was first here about perhaps 47 years ago when my parents first decided to immigrate to this wonderful country and, for the first six months of our time here in Canada, lived in Marathon, which was home to a paper and pulp mill industry. I remember the smell that it brought around the town.

It's wonderful to see you, Georjann, and to be here in your neck of the woods.

Thank you for presenting this morning, and thank you for sharing your thoughts. I know that our government understands and values the importance that the forestry

sector brings to the economic and social well-being of Ontarians, especially in rural and northern communities like the one that we're in today.

At one point, you spoke about some of the threats that the industry is facing, and that the majority of your products do go to the United States. You thanked the Ontario government, in particular MNRF, for helping to educate the customers about the true story in Ontario, and that it has been this type of educating the public that helped you out a little bit. Can you elaborate a little bit on that and how, really, that has helped you?

Mr. Roger Barber: Our main threats around the market from campaigns are from groups like Greenpeace, who attack our customers with threats that if they buy products from us, they will also be targeted based on allegations that forest practices that we use are not sustainable.

We follow Ontario's rules and regulations and laws, as does every other forest product company in Ontario, and they're world-leading. The Crown Forest Sustainability Act is world-leading legislation.

In particular, MNRF representatives have travelled to and visited several of our customers, to explain to them how things work in Ontario, which has verified what we have been telling them for some time, so that's great.

The problem we have, though, is that if we have no tree access through the Endangered Species Act, it's not going to matter what we say to our customers; we still won't have a business. On the one hand, it's really great to talk about our world-leading forestry practices through the CFSA. On the other hand, the Endangered Species Act looms over us as a big cloud, preventing us from accessing timber in the future. It's kind of an odd situation, where on the one hand we're promoting our forestry practices while on the other hand we're talking about a single-pillared act being implemented which really kind of destroys all of that. It's very concerning for us.

Mrs. Cristina Martins: I know that you mentioned, in your initial deputation and now in your question, the Endangered Species Act. You initially did say—and we know that it is expiring in June 2018, and you're requesting that it be extended for another five years. I know that the ministry is working very closely with indigenous organizations, partners and stakeholders, including the forestry industry and environmental and non-governmental organizations as well as municipalities, and we're seeking input to find a solution that protects the species at risk and their habitat as well as hoping to minimize the impact on forest operations. Any comments that you have on what the government is doing to address this?

Ms. Georjann Morriveau: First of all, good morning, and thanks for hearing us out this morning.

As it relates to the First Nations and the indigenous communities around northwestern Ontario, first of all with the introduction and the process unfolding with respect to the ESA, it is not only posing damaging impacts on the forest sector but it's also posing damaging impacts on the communities who currently operate in the

forest products sector. We have approximately 25 to 30 First Nations that we work with, just as one company. That doesn't take into consideration the others who are also engaged and partnered with other forest companies. These communities have invested millions and millions of dollars into forestry operations, whether it's harvesting, logging, truck hauling or employment and training incentives. So to see this type of—

The Chair (Ms. Ann Hoggarth): Thank you for your presentation. If you have a further written submission, if you would get it to the Clerk by 5 o'clock on Friday, January 19.

Mr. Roger Barber: Thank you.

MS. PEGGY BREKVELD

The Chair (Ms. Ann Hoggarth): I'm calling up Peggy Brekveld. Once you get seated, if you could identify yourself for the purposes of Hansard, and then your 10 minutes will begin.

Ms. Peggy Brekveld: Thank you for the opportunity to present today. My name is Peggy Brekveld. For 23 years my husband and I have been farming about 10 minutes west of Thunder Bay. To me, farming is one of the noblest professions that you could have: We grow what you eat and drink. Saying that, I understand that I stand between you and lunch.

I've also been involved for seven years with the Ontario Federation of Agriculture; for four of them, I've been the vice-president. OFA is Canada's largest volunteer, general farm organization. We have about 37,000 family farm businesses across Ontario that we represent. With OFA, I've had the privilege of travelling across both northern Ontario and the entire province talking to farmers and agri-food businesses about the way to improve rural business and life in Ontario. These are the experiences that have led to the comments I'd like to share today.

The agri-food industry is about producing prosperity in Ontario. It is one of the leading economic drivers in the province. It supports 820,000 jobs, and those jobs are in small, medium and large enterprises. These farm businesses form the backbone of our robust farm system and rural communities.

Voices at both the provincial and national levels recognize that agriculture is a place that has great potential to grow in businesses and jobs. Provincially, the Premier challenged us within the agri-food sector to double the annual growth rate and create 120,000 new jobs by 2020. It's an ambitious goal, and we will require collaboration from both government and industry to do it. Nationally, the recent Barton report to the federal government highlighted agriculture and agri-food as an important and viable growth sector. Following conversations as he has presented this, he has also mentioned the fact that in order for agriculture and agri-food to meet those goals, they really do need to deal with investments in rural infrastructure; in particular, broadband Internet access. Those investments are critical, and I agree. As a dairy

farmer, if I want a milk robot, I need to have Internet access so that my technician can remotely check out what my machine is doing. It can do the software updates from afar. As well, outside of my business, I have kids, and I want them to be able to do their homework and thrive in school, and part of that is having Internet access. This is just one example of the infrastructure needs that are different between urban and rural Ontario.

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To help rural Ontario and the agri-food sector exceed the Premier's challenge and meet the potential that Barton sees, Ontario must embrace rural Ontario growth. That fact is necessary. We have to facilitate growth, and we require a set of prerequisites born by real investment and sound public policy. We call it "distributed economic development," and it is based on an understanding that when rural Ontario thrives, the entire province does better.

The short story is that rural Ontario really needs its hubs—its small towns and its villages—to thrive. Those who live and work in rural Ontario need people to fix our machinery. We need people to sell us inputs for our businesses and to work on our farms. We also need a critical mass of people to keep our schools open, to keep medical care close to home so we can visit and help provide that essential extra care if necessary, and, if we're lucky, to keep sports teams near our homes for our kids to play at.

Right now, though, there seems to be a disadvantage to living in rural Ontario. Internet is spotty, and there is only about 20% coverage of access to natural gas, which is cheaper and a more environmentally friendly energy option. There are more roads and bridges to fix and less citizens to pay for it. Rural communities have a disproportionately large stock of infrastructure, compared to the local tax base.

As a farmer, my job is tied to the land, so you won't see me moving into the city very often, because it's kind of hard to milk cows there. But, saying that, if you had a business, where would you like to set up? Where the infrastructure is, right?

Our rural municipalities are eager to attract new businesses, repair roads and bridges, bring in reliable broadband and install natural gas pipelines, but to do so, we require a concerted effort on the part of business and governments.

Government has invested in these types of infrastructure in the recent past. We have SWIFT in southwestern Ontario for broadband. We have the \$100-million program announced towards natural gas expansion. The OFA and our partners across agriculture will be looking for these types of rural investments in the upcoming provincial budget to continue and to expand.

Infrastructure investments, like widespread broadband access and affordable energy with natural gas, and increased social infrastructure, including local schools and medical care, are needed to attract new businesses and new residents.

Roads, bridges, drainage and broadband access are also vital to maintaining our food system. Efficient

transportation and information infrastructure are key to productive supply chains, and the entirety of our agri-food value chain depends on successful operation of our transportation system.

Specifically on energy infrastructure, OFA has done the numbers. We estimate that if you covered just 60% of rural Ontario with natural gas, you would be able to provide over \$1 billion in energy savings annually, in home heating and appliance costs alone. That works out to about 25,000 jobs. But affordable energy will also bring in investment. At least \$3 billion in economic activity will be created with an investment in rural natural gas.

OFA's recommendations are that Ontario adopt a program to provide at least \$75 million per year, for 20 years, to enable rural gas infrastructure. This must be accompanied by a support program that enables and promotes conversion to gas and energy conservation. This investment will pay for itself within the first two to three years in savings for rural Ontario. It is the single most effective investment Ontario can make in its rural communities and farms.

Distributed economic development across the province is the only long-term solution to relieving the pressures, such as lack of affordable homes, on Ontario's major urban centres. I know some of you think about those things too. Making smaller communities attractive options to live in and work in will relieve some of that housing pressure.

It does not mean covering over our farmland, which is a non-renewable resource, with houses. It's an acknowledgement that our rural hubs need to be healthy to attract business and citizens.

It requires increasing investments in our rural areas, to strengthen communities and provide new economic opportunities for families. The investments we seek in our rural communities are not huge, but they are significant, and investing in infrastructure and natural gas will provide dividends from a robust rural economy and lower greenhouse gases, and relief for overtaxed urban infrastructure.

As representatives of the industry, OFA remains committed to working with the Ontario government to create those jobs across rural Ontario that the Premier was talking about, and to grow our economy.

All of my comments so far talked about rural Ontario as a whole. But I also would like to talk about northern agriculture development specifically.

There are 26,000 farms in northern Ontario, and they generate about \$190 million in annual farm cash receipts and support about 4,000 jobs.

The Chair (Ms. Ann Hoggarth): One minute.

Ms. Peggy Brekvelde: Thank you.

Historically, one of the best moments for northern ag was when the growth plan acknowledged that the ag sector was a place to grow and develop.

Saying that, the short story is that the heritage fund is one way that the government has invested in our agriculture industry. Since 2013, NOHFC has invested over \$57

million in agriculture, in 180 agricultural projects. They include research, tile drainage, processing facilities such as dairies—I know a few of them—and they include farms such as mine. My personal experience is that the investment moved our farm family business ahead five years, and it helped us expand and grow and actually hire another employee. I believe that NOHFC's investment in northern ag is a wise economic, social and sustainable decision.

OFA calls on the government to continue its support for the heritage fund and to provide increased funding for northern infrastructure projects that will enable the expansion and diversification of agricultural production.

The Chair (Ms. Ann Hoggarth): Thank you. This questioning is the official opposition: MPP Fedeli.

Mr. Victor Fedeli: Thank you very much, Peggy, it's always a pleasure to see you, especially here in Thunder Bay.

Ms. Peggy Brekvelde: Yes.

Mr. Victor Fedeli: We generally get together in Queen's Park, in a little different venue. But now that we're home in the north, can you tell us if you have any recommendations about increasing farming, specifically cattle farming, in northern Ontario? Do you have any thoughts on that?

Ms. Peggy Brekvelde: I believe there's huge potential. I believe that government needs to identify the appropriate lands to do that growth on. Some of that comes through soil testing, and I know some of that has started in the Cochrane area and such. I think that it also requires processing and the bigger infrastructure picture—those roads have to work and such—so that we can get the product from that farm out to where it needs to go.

Beyond the beef production, I think there's greater growth potential for agriculture in the north. It comes from fruits and vegetables. It goes back to being sustainable and feeding our own people. I know that in Thunder Bay, we have a farmers' market. On a Saturday, we see 5,000 people go through. It has a huge variety of products, and I think that's more reflective of what northern ag can do and how we can feed our own.

Mr. Victor Fedeli: I'll pass it over to MPP Oosterhoff.

The Chair (Ms. Ann Hoggarth): MPP Oosterhoff.

Mr. Sam Oosterhoff: Peggy, thank you so much for taking the time to come and present before the committee. I was born and raised on a pork farm, so it's always neat to hear about the challenges that also exist for the agricultural community in other parts of the province.

I just wanted to hear if you would be able to expand a little bit on the distributed economic development that you mentioned briefly, and what that would look like. If you could just expand on that.

Ms. Peggy Brekvelde: Sure. Right now, it's often touted that Ontario's economy is thriving. We have low unemployment, and growth, in our province. It's not always the reality that I see in rural Ontario. Rural Ontario is seeing closing schools. We're seeing depopulation or 0% population growth. We see areas struggling to

fix bridges or roads, mostly because of lack of funds, and often they'll just close bridges, right?

The other thing, though, is we're more than just rural Ontario. We're a province with cities too. Cities like the GTHA have high housing costs because there's limited availability. We know they also have challenges keeping up with the transportation infrastructure. If we improve infrastructure in rural Ontario, we will benefit both areas because we'll make rural Ontario an exciting place to be. People want to live to a certain standard, and things like broadband are things they want. That's what they need and want. We call it distributed economic development. It's a little bit about equality.

The Chair (Ms. Ann Hoggarth): MPP Wilson?

Mr. Jim Wilson: Yes, Peggy, thank you for being here. As a former chair of the Northern Ontario Heritage Fund and northern development minister, what is the project you're doing on your farm that has helped you progress?

Ms. Peggy Brekveld: We built a new dairy for our cows. We went from a tie-stall that would house about 58 cows to now having a barn that will, when it's full, fit about 93. It's more labour- and animal-friendly than what we had before. The goal was to expand and grow enough that we could, hopefully, bring on our son, and we've been able to do that. He works full-time on the farm.

Mr. Jim Wilson: And you have broadband?

Ms. Peggy Brekveld: We do at our place, but five minutes from us, they have nothing. They can't even get the satellite to work properly.

Natural gas: We're working on putting that on our farm. We paid extra to get that line put to our place. But I've got friends for whom it's just not an option. If the funding doesn't come from the government to help assist to make those formulas work for the OEB, it won't happen.

The Chair (Ms. Ann Hoggarth): MPP Oosterhoff?

Mr. Sam Oosterhoff: Real quickly, you mentioned the closure of rural schools. Three are closing in my riding. What impact is that having on rural communities?

Ms. Peggy Brekveld: I want to live somewhere where my kids are within a half-hour of school. If we want to attract businesses that will hire more than two people, they're going to want kid-friendly places, and that includes a school. It's going to need a different funding formula, likely, in rural Ontario than in urban Ontario. I understand that, but some of it also has to be that it has to be a place that the infrastructure supports people coming to live there.

Mr. Sam Oosterhoff: Thank you.

The Chair (Ms. Ann Hoggarth): Thank you very much for your presentation.

Ms. Peggy Brekveld: You're welcome. Enjoy your lunch.

The Chair (Ms. Ann Hoggarth): If you have a further written submission, it has to be to the Clerk by 5 o'clock on Friday, January 19.

At this time, committee members, we will recess until 1:15 in this room.

The committee recessed from 1203 to 1315.

The Chair (Ms. Ann Hoggarth): Good afternoon. We're meeting here in Thunder Bay today to hold pre-budget consultations. As it is an extension of the Legislature, there can be no clapping, cheering, signs or political material in this room.

Each witness will receive up to 10 minutes for their presentation, followed by five minutes of questioning from the committee. Are there any questions before we begin?

THUNDER BAY CHAMBER OF COMMERCE

The Chair (Ms. Ann Hoggarth): I will call upon the Thunder Bay Chamber of Commerce to come forward. This round of questioning will be done by the third party.

Ms. Charla Robinson: Good afternoon.

The Chair (Ms. Ann Hoggarth): If you would identify yourself for the purposes of Hansard, and your 10 minutes will begin.

Ms. Charla Robinson: Thank you. Good afternoon. My name is Charla Robinson. I'm the president of the Thunder Bay Chamber of Commerce, and I'm here representing the interests of over 850 member companies and their 20,000 employees, comprising all sectors of the local economy. We certainly appreciate the opportunity to outline some issues of concern to our membership.

Businesses are increasingly being asked to absorb new and higher input costs that were unforeseen just a few years ago. The addition of carbon pricing last year made it more expensive for every business to transport their products to and from Thunder Bay and to keep the heat on at their operations. This year, the changes to employment standards are making it extremely difficult for Thunder Bay businesses to create jobs, pay taxes and donate to community charities. Small businesses need help through this transition.

We support the recommendations made by the Ontario Chamber of Commerce this morning that the government reinstate the scheduled corporate income tax rate reduction from 11.5% to 10%, reduce the business education tax, and make targeted reductions to the employer health tax.

Here in northern Ontario, we're particularly concerned with the increase to aviation fuel taxes of 1% per year over four years which started in 2014. The negative impacts of this fee increase on communities with no alternatives to air transportation were acknowledged by the Premier in the 2014 budget discussion, and a solution was promised. Aviation fuel costs in Thunder Bay are five cents higher than in Toronto and they're up to 10 cents higher in northern remote communities. Increasing costs are adding to the already significant economic, health and social challenges of our Far North First Nation communities. This 4% increase in aviation fuel tax adds eight cents per pound for cargo deliveries of food and supplies.

1320

A recent TVOntario report highlighted the cost of food in Kashechewan First Nation as follows: "I walk past \$30

frozen pizzas and \$15 cartons of eggs. At the fruit and veggie section, a bunch of grapes ... costs \$13.42," a three-pound "bag of apples ... is \$15.29, and a single head of red cabbage is \$12.89."

How can anyone justify adding costs to this kind of level of pricing with an aviation fuel tax? Previous public commitments have been made by this government to implement an exemption for some communities, and we urge the government to immediately implement this long-promised exemption for the entire northwest region.

On to skills and training: The province needs to address the skills gap that is happening across this province. The hiring challenge is already being felt across many sectors, from low-skilled positions in hospitality and retail to high-skilled positions in professional services.

We believe that the Ontario apprenticeship system is in need of improvements, and we're glad to see that the province is reviewing the apprenticeship system. But we feel that the current journeyman-to-apprentice ratios are too high in many trades, especially for small communities. In addition, tax credits are not enough to encourage employers with limited funds to make the significant financial and time investment involved in training an apprentice. Funding and flexibility are vital in order to address these training and skills needs.

In addition, it's important and imperative for the province to engage our aboriginal communities in skills training programs and opportunities to ensure that they can take full advantage of economic growth.

On to mining development: Certainly, we've seen some recent challenges in the mining sector, but we are confident that our region presents an exceptional opportunity for significant fiscal growth for the entire province. Northwestern Ontario is home to hundreds of active mining projects representing billions of dollars in mineral value that will have a significant impact on the economy of the northwest and the province as a whole.

Strategic investments must be made in transportation, energy and technology infrastructure that will be needed to make these projects happen. We know that the development of this infrastructure will require big investments by both the province and the government of Canada. However, the return on investment in tax revenues and economic growth will more than offset these costs in the decades to come.

On to forestry: As you heard this morning from the Ontario Forest Industries Association and a number of other forest companies, Ontario's forest products sector is a significant contributor to the economy, providing over 172,000 direct and indirect jobs in over 260 communities across the province and generating an economic impact of \$15.5 billion. But we are becoming increasingly concerned that unbalanced public policy will curtail the future growth of our forest sector and the jobs and families it supports. We need a provincial forestry strategy that aims to increase the sustainable use and harvest of crown forests and provides consistent, long-term, reliable access to affordable, renewable wood.

My final topic is immigration. Ontario currently receives approximately 100,000 immigrants each year, and the provincial nominee program is one area where Ontario's policies put us at a disadvantage in attracting migrants to meet our labour market needs. The list of eligible professions here in Ontario is narrow, and it does not include many of the trade professions that are currently experiencing shortages—things like plumbers, chefs and truck drivers.

To further add to these challenges, the Ontario PNP requires employers to obtain a labour market impact assessment before offering a job to a recent migrant. This assessment uses provincial information in determining whether a job can be offered. Employers in rural communities who are unable to attract Canadian citizens from major urban centres are often denied the opportunity to hire an immigrant because the LMIA data shows that there are Canadians who might be available to fill the role, but it does not consider whether those individuals are willing to actually relocate to the rural area.

The elimination of the need for the LMIA, and the development of a local nominee program, would provide an opportunity for local needs to be identified and addressed through the Ontario PNP. We encourage the government to undertake these changes as soon as possible.

Thank you again for the opportunity to speak today.

The Chair (Ms. Ann Hoggarth): Thank you. We'll move to the third party: MPP Vanthof.

Mr. John Vanthof: Thank you for a very good presentation. Much of your presentation is along the same themes: forestry. I'm going to pick out a couple that you've uniquely identified, and that is regarding the aviation fuel tax, but specifically—I'd like to read it into the record again—\$30 for a frozen pizza; \$15 for a carton of eggs; a bunch of grapes, \$13.42. That's in remote communities. Have you got any figures on how much the transportation actually adds to that cost?

Ms. Charla Robinson: Well, significantly. I don't have the exact dollars as of now, but you can imagine. Everything has to be shipped to a First Nation community. The cost of shipping is very high, and the cost of the additional fuel tax is actually eight cents per pound. Think about that for some of the heavier things; even just a gallon of milk would cost significantly because it's a heavier product.

Mr. John Vanthof: I'd like to go right to another one that no one else has talked about and that I personally experienced as a dairy farmer before I had this job, and that is with immigration, the inability to get foreign workers and immigrants because people are available in Canada to do the job. I know from personal experience that there are a lot of people, rightly or wrongly, in urban Canada who don't want to come, in my case, to Earlton to do the job, or to Thunder Bay to do the job. Could you expand on that, what that would mean if we actually changed the rules a bit to allow more people?

Ms. Charla Robinson: Yes, certainly. I can understand why the labour market impact assessment is there,

because obviously you want to make sure that Canadians get work before trying to bring in folks from other communities and other countries. But in the case of a rural community like Thunder Bay, what the situation is in Toronto is that if there's an engineer in Toronto who is looking for work, that doesn't necessarily mean that engineer wants to move to Thunder Bay. They may not want to relocate their entire family. Perhaps their spouse has a great career path in Toronto or wherever they're located and they're not willing to give that up.

The LMIA looks at this data from Toronto and some of those areas and says that you in Thunder Bay can't hire somebody who is an immigrant because there's somebody in Toronto who needs that job. Well, if those people don't want that job, you're putting that employer at a disadvantage because now what are they supposed to do? There's someone they know they can hire from a foreign country who is willing to move but they're stuck because this process says no, you can't because somebody in Toronto could take that job even though they don't want it.

Mr. John Vanthof: We've heard from several people that there are jobs here and—I'm in northeastern Ontario—there are jobs in my part of Ontario, as well. When we recruit, one of the issues we run into is when we actively bring people up, they ask questions, specifically in rural parts, like, "What about broadband infrastructure, what about public transportation, what about schools?" When the answer is, "Well, it doesn't really exist," would you believe that's a big barrier here too?

Ms. Charla Robinson: Certainly Thunder Bay, as a larger community, has a lot of those services and that infrastructure in place. We have a really good transit system. We have a very diverse community. We have a number of the different ethnic groups already here, so there is maybe more of a neighbourhood where they feel like they can find folks that would understand where they're coming from better. But definitely in small communities across northern Ontario—

The Chair (Ms. Ann Hoggarth): One minute.

Ms. Charla Robinson: —and northwestern Ontario, that would be a challenge on many of those fronts.

Mr. John Vanthof: We had a representative here from the federation of agriculture. I know, from an agriculture background, that the inability to access broadband is a huge issue. It's within the city itself, but agriculture doesn't usually happen within the city itself.

Ms. Charla Robinson: Exactly. Definitely. Thank you.

The Chair (Ms. Ann Hoggarth): Thank you very much for your presentation. If you would like to submit a further written submission, it needs to be to the Clerk by 5 o'clock on Friday, January 19.

Ms. Charla Robinson: Thank you very much.

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MR. STEVE MANTIS

The Chair (Ms. Ann Hoggarth): Our next presenter will be Steve Mantis. If you could please identify

yourself for the purpose of Hansard, you may begin your presentation.

Mr. Steve Mantis: My name is Steve Mantis. This is, I think, the first time I've presented to a parliamentary committee when I wasn't representing—primarily, it has been our injured workers' organizations. It has been a real challenge for me because I have a number of interests and it's like, "Wow, here's a really big opportunity. What do you really focus on?"

I have a presentation, which I assume you guys have in front of you. I'm now a senior citizen, retired, and spend most of my working time as a volunteer in a number of organizations. Some of the other history that helps inform my views—I lost my arm in an industrial accident almost 40 years ago, working in construction. I looked around and said, "Who's going to hire a one-armed carpenter?" As you may know, people with disabilities face real barriers to employment here in Ontario. Over 50% of us are unemployed chronically. I've got an entrepreneurial spirit, so I started my own little construction company, which I operated for 10 years as an owner-operator, so I'm a little employer.

The medical folks said, "You shouldn't do that. It's too hard on you." Well, as a stubborn young guy, you don't really think about that. After about 10 years, I thought, "Yes, this is physically a bit too demanding." I got recruited to work with the Ontario March of Dimes and I became the manager of the vocational rehabilitation services, which are like employment services, trying to help people with disabilities move into employment.

I finished my working life working through McMaster University, linking injured and disabled workers into the academic world to try to bring our lived experience into that research to try to understand how things really work.

The two things I decided to really focus on today are kind of big-picture items. Mostly what we hear is, "Fix this piece here," which is big for some people, but in the big picture, it's pretty small. Those two big-picture items for me are income inequality and democracy.

This is our one opportunity for democracy, right here, right now. It's interesting, even just watching what happens here. Mostly, people come here, and they have their say, they have their 15 minutes, and they leave. That's part of democracy. But the other part is dialogue, actually listening. You guys get to listen a lot. I hope that's okay for you; you're going to do it all week long. But you have to wonder: Aren't there better ways of engaging our citizenry than the way we do it now?

How do these interrelate? The big decisions you guys make, as elected politicians and governments, are on where we spend our money. Most of the money goes to health care, right? That's the biggest budget item. What influences health care? What influences primarily the health of our population? The number one determinant of health is income. That totally fits right in with income inequality. The more we have that split between the highest and lowest, the more our health care goes up and the health of our overall population goes down.

Being of Greek extraction, I was so pleased to find a little quote from Plato, back in the 4th century BC. He

recommended that the range, the gaps in income, should only be up to four times. The richest should only have four times as much as the poorest, so that the rich didn't get lazy and the poor didn't lose opportunities to participate. That's in my report; you can read the quote there.

But what we've seen in our society is that we're moving away from that. We're getting bigger and bigger gaps between the poorest and those who are most wealthy. Much of that is as a result of government policy, and one feeds the other. It seems like those who have more money also end up with more power, and they have an ability to influence government policy.

As we've seen here today, our traditional business model—and that's where most wealthy people are; the owners of our industry here in Canada—is interested in increasing profit. That's how business works. No one is faulted for that, but if they get more and more power, that allows them to increase their profit more and more and not contribute to the general welfare of all of us. One feeds another, and that's what we're seeing. We're seeing that gap in income growing greater and greater.

I encourage you all to look at big-picture issues here. As that happens, the people who are at the bottom say, "Why should I participate? Nobody's going to pay any attention. It's the big boys up there that call the shots." You see that in terms of voter turnout.

To me, democracy is about engagement: engagement in the political process, but also in your neighbourhoods and in your community. If we focus and say, "How can we reduce that gap? What are some of the things that we can do?"—of course, this government in the last year has been actually taking some positive steps, like Bill 148, to increase the wages of the lowest-wage workers. I think those are positive things. For injured workers, we did get full cost of living starting in January. It has only taken us 45 years; not bad.

A Roadmap for Change, which has been talked about here, I think is a very progressive step to start saying, first of all, that we should have a level that we think people should live at, and that's the poverty level. That's \$22,000 a year. That's not \$8,000, what they get now. Maybe you can't get that all through social assistance, but to be able to stack benefits so that you actually can afford to pay for food for your family is okay. That's a good thing, so definitely please carry on with that.

The other flipside, though, is: Where do we get the money from? Towards the end of my presentation, we just looked at the balance in our society of the revenue through taxes. What we've seen in my lifetime is moving from where corporations and individuals paid about equal amounts to, now, individuals paying over two thirds and corporations paying less than one third. What that has done is that it has meant that we don't have the income that we used to have, so all of the programs—whether it's health care, whether it's education, whether it's social services—are all fighting for the scraps. We have to address that issue of revenue if we're going to be able to afford to provide the services that are going to create a healthy, inclusive community.

In my last minute, I just have to mention, as well, a couple of things that have been talked about here today. Number 1: The member from Vanier, I think, was talking about Legal Aid Ontario. I think they are one of the best things, the legal aid clinics that we have across the province. We're the only province that really has that. It's outstanding service that blends both individual advocacy—

The Chair (Ms. Ann Hoggarth): One minute.

Mr. Steve Mantis:—and systemic advocacy.

We've seen in that move to income inequality that the government hardly funds any more citizen engagement. When I was a younger guy, 40 years ago, there were a number of programs you could access, but not anymore. It's now like, "Don't complain. We don't want to hear what you've got to say." That, I think, needs to be changed.

The other thing is sustainability around forestry. I live in the bush here. I love the forest. I'm really not sure how often we really understand and look at sustainability. I have a little TV show, and I have various guests. One of the guests was a retired forester, like my age. He said, "Let's do more study. We've got this huge bush!"—

The Chair (Ms. Ann Hoggarth): Thank you. We'll go to the government. MPP Colle.

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Mr. Mike Colle: Yes. Thank you very much for the very big-picture thinking. It's refreshing to see someone come forward—I know everybody has pressing issues that they're involved in, and they're all very legitimate, but one of the benefits of this is that people like you come forward and expand on the opportunity of looking down the road, looking at not just themselves but all of our brothers and sisters, of course. So Steve, I really commend you for taking that and making that sacrifice, because I know you only have so much time.

Mr. Steve Mantis: Thank you so much.

Mr. Mike Colle: I was going to ask some questions about injured workers. I don't know if you know Phil Biggin, who used to—

Mr. Steve Mantis: Oh, yes, Phil and I had worked together for many years before he passed.

Mr. Mike Colle: Phil's office used to be next door to mine on Dufferin Street, and he didn't have enough money for photocopying or papers, so he was in and out of there. Sadly, as you know, he passed away a couple of years ago. I know full well the trials and tribulations of injured workers. I go back to Charles Caccia's days. Charles and Phil used to be—anyway, he's a federal MP who worked on injured workers, and Tony Grande for the NDP—people like that.

I just wanted to maybe get more of your thoughts on income inequality. That is, as you know, not only an issue that we're grappling with here in Ontario, but all over North America, especially. It's a very acute problem, where that top 1% is getting a bigger share of the income pie, you might say. How do you deal with that? For years we've tried to deal with it through social programs and public education and social assistance etc.

As you know, as a result of the workplaces review we did for a couple of years, the one message that came back to our government over and over again is that you can make all these changes in the Employment Standards Act and the Labour Relations Act, but fundamentally, unless you do something about wages, you're not really going to be able to improve the plight of the 1.5 million Ontarians who work for 11 or 10 bucks an hour. Do you want to comment on that?

Mr. Steve Mantis: Yes, I'll try to touch on both. The last two pages of my written presentation are about injured workers. Over and over, you hear that we need evidence-based policy. It's really crazy to me how we go and get a little grant from Trillium—you know, we get \$50,000—and we have got to document all the outcomes right down to the end. WSIB goes through \$3 billion or \$4 billion a year, and they can't tell you how they do in terms of helping injured workers recover their lost wages, recover employment and recover their health. They don't keep track. For 30 years I've been trying to get them to actually keep track of people long-term, but they say no, or sometimes they say yes and then don't do it.

We've been working with independent researchers for the last 20 years, and you'll see some of the numbers there. More or less what we see is that we've got 15,000 workers who end up with a permanent disability every year in Ontario. Half of those or more end up chronically unemployed, so that's about 7,000 or 8,000, and 3,000 or 4,000 get some kind of recognition, but not that they're unemployed; they may get \$2 an hour, more or less, and that's it.

In terms of the minimum wage going up, I think that's definitely a plus. In Seattle, which was one of the leaders in this, a review was just done that showed that it didn't actually have a whole lot of impact in terms of unemployment, like the big scares we were talking about. It takes a while to adjust, as in anything.

A real problem for injured workers is that most of them are deemed to at least be able to work for minimum wage. If you're unemployed, you're now seeing your benefits reduced even further because of the changes in minimum wage. If we don't look at the big picture of how this works for all of us and then try to modify our policies so that we are addressing those big-picture issues of income inequality and—

The Chair (Ms. Ann Hoggarth): Thank you.

Mr. Steve Mantis:—participation in society, we're all going to lose long-term. Thank you very much for your time.

The Chair (Ms. Ann Hoggarth): Thank you for your presentation. If you have a further written submission, it needs to be to the Clerk by 5 o'clock on Friday, January 19.

Mr. Steve Mantis: Thank you so much.

CONFEDERATION COLLEGE

The Chair (Ms. Ann Hoggarth): Our next presenter will be Confederation College. I understand there is a

slide show, which will be shown behind me here. When you get settled, if you would identify yourself for the purposes of Hansard, you may begin your 10-minute presentation, sir.

Mr. Ken Adams: My name is Ken Adams. I'm the vice-president, college services, and treasurer to the board for Confederation College. Thank you for the opportunity to speak with you today about our work at the college and the continued importance of investing in student success.

Just a brief comment about Confederation College: We have over 7,300 students at nine campuses across northwestern Ontario, and a significant population of indigenous students.

A study done in 2013 indicated that the economic benefit to northwestern Ontario is almost half a billion dollars. Why is that important? The college is experiencing sustainability challenges. There are ongoing domestic student enrolment declines. That impacts as far as reduced tuition fees and provincial operating grant revenue. As a result, there's an increased reliance, not only at our college but throughout the province, for revenue from international students.

At the same time, we are challenged with the low secondary success rate in northwestern Ontario and the challenges we have in preparation for post-secondary learning. We do provide increased investment in learner supports, mostly towards mathematics and literacy.

We are also faced with ongoing changes in funding—there's a new college funding formula—but at the same time, the Small, Northern and Rural Grant is under review; many other colleges in southern Ontario are looking for additional revenue and looking towards that grant; and also, a first generation funding review.

We are 50 years old now, and maintenance costs and aging infrastructure require us to refresh our infrastructure, which currently stands at \$95 million in deferred maintenance. At the same time, there is an escalating demand for more college graduates. Our college system is becoming unsustainable and facing an unprecedented financial crisis today that is putting our core mandate at risk.

I understand that the standing committee is aware of the PricewaterhouseCoopers report and that colleges are facing an annual operating deficit that may exceed \$400 million by 2024-25. Collectively, that's \$1.9 billion.

The changing student demographics, an aging infrastructure, the cost of new technology, and increasing costs for mental health programs and services are among the factors that are putting fiscal pressure on our colleges.

As you are aware, we just recently came back from a five-week faculty strike. That has caused a lot of uncertainty in relation to increased student enrolment and, of course, retention, but this was before Bill 148. What we've done as a system is try to identify what those impacts will be.

1350

Before I go any further, I'll just indicate that the college supports the legislation. The biggest impact for us

is equal pay for equal work. That impact is approximately \$80 million, effective April 1, 2018, or 10% of our current operating budget. As you can imagine, the magnitude of this impact is overwhelming for a college of our size. It is publicly funded, so we do have limited access to additional revenue.

At the same time, we are working on our budget for 2018-19, for which we're now estimating a \$9-million to \$11-million deficit. We're working with the Ministry of Advanced Education and Skills Development on a mitigation plan. However, we are looking at additional revenue. At the same time, the implications on the ongoing sustainability of our current programs, services, campuses and staffing at the college are a huge concern.

The 2018 provincial budget is an opportunity for improved college operating funding. It's also an opportunity to address the Fair Workplaces, Better Jobs Act gap that colleges are facing. We do require investments in capital improvements, deferred maintenance, information technology and new instructional equipment.

This is the opportunity for the government to send a direct message to employers and students that Ontario is committed to investing in the province's future workforce and Ontario's long-term prosperity.

Thank you very much for giving me the opportunity to speak with you today, and I would be pleased to answer any questions.

The Chair (Ms. Ann Hoggarth): Thank you. We will move to the official opposition: MPP Fedeli.

Mr. Victor Fedeli: Thank you, Mr. Adams, for your insightful presentation and, if I may say, uncomfortable presentation in realistic wording: "Low secondary success rate in northwestern Ontario and ... poor preparation for post-secondary learning." I'm going to ask you to expand on that, and then I'm going to ask you to talk a little bit more about the Small, Northern and Rural Grant. I meet with George Burton, president of Canadore College in North Bay, who has spoken at length about this, and I think it deserves a couple of minutes from you on both of those.

Mr. Ken Adams: We have a very large number of students who require additional supports when they come to the college. Mathematics and literacy are two of the largest components. Students just are not prepared for the increasing demands when they face the college system and, I would assume, the university sector as well.

The college does spend, on an annual basis, additional funds to provide those additional supports for our students, in addition to the mental health services that now are increasing, I think, throughout the whole sector.

From our point of view, we are focused on access, we are focused on the success of our students, and we are learner-centric as well. Many of our resources go towards that, and we do notice a large gap. We are working with the school system to try to address that as well. But at the same time, when students do come to us, we are expected to try to accommodate them and to assist them. There has been a large increase in accommodation as well. Students are expecting accommodation for a variety of reasons, and we try our best to do that.

Mr. Victor Fedeli: The grant: Do you want to talk about the gap in the Small, Northern and Rural Grant?

Mr. Ken Adams: Confederation College is the largest recipient of the Small, Northern and Rural Grant. For us, it's approximately \$9.5 million. That grant is there for a number of reasons. The grant is under review by the Ministry of Advanced Education and Skills Development. Clearly, it's looking at access, it's looking at campuses and it's looking at distances between where we have services. Northwestern Ontario, as you know, is large. It's larger than France. The whole idea with the services we provide, from an access point of view, is so students can remain in their communities and learn and get jobs there as well.

Mr. Victor Fedeli: What do you think the grant should be? That will be my last.

Mr. Ken Adams: Well, clearly it's under pressure to be reallocated and reviewed. There are demands from other colleges for additional resources, and with that they're looking at what is available, and what could be available as well.

Mr. Victor Fedeli: Okay. Thank you.

The Chair (Ms. Ann Hoggarth): MPP Oosterhoff.

Mr. Sam Oosterhoff: Thank you very much for your presentation this afternoon. I just had a question: A lot of my peers are in college and university themselves, and very concerned about the five-week strike that went on last semester. I know some of my peers also withdrew from the college system due to those concerns. I'd just like you to expand a little more on that and also how you felt the government handled it.

Mr. Ken Adams: Once again, unfortunately, Confederation College had the highest percentage of students who withdrew—over 400. That has had an impact, of course—

Mr. Sam Oosterhoff: Just real quick, what percentage is that?

Mr. Ken Adams: I think we're at 13% to 15%.

Mr. Sam Oosterhoff: Wow.

Mr. Ken Adams: The exact number I don't recall offhand—

Mr. Sam Oosterhoff: That's okay.

Mr. Ken Adams: —but it is the highest as a percentage of our total.

At this point in time, we're looking at students finishing their academic year. That is an additional pressure which I didn't get into. We are looking at ensuring that those students do complete the year. That means, for us, a longer academic year and some additional costs that move into fiscal 2018-19. Our focus, as well as the faculty's, has been to ensure students can complete their year and hopefully get out there in the workforce and get a job.

I will make the comment that in the presentation we note the success rate. Students who do go to college are phenomenally successful in getting a job within six months of graduation. That clearly is a success that we want to continue to promote and support, not only at Confederation but all our colleges in Ontario.

The Chair (Ms. Ann Hoggarth): Thank you, sir. If you have a further written submission, it needs to be in to the Clerk by 5 p.m. on Friday, January 19.

Mr. Ken Adams: Thank you.

NORWEST COMMUNITY HEALTH CENTRES

ASSOCIATION OF ONTARIO HEALTH CENTRES

The Chair (Ms. Ann Hoggarth): Our next presenter will be NorWest Community Health Centres. Good afternoon. Once you get settled, if you would identify yourself for the purpose of Hansard and start your 10-minute presentation.

Ms. Juanita Lawson: Juanita Lawson, chief executive officer of NorWest Community Health Centres. I wanted to thank you for the opportunity to meet with you today to share information about the work of NorWest Community Health Centres and the association of community health centres across the province. In our association, we have community health centres, nurse practitioner-led clinics, community-based family health teams and aboriginal health access centres. Our goal is to provide a voice for community-based primary health care in Ontario. We serve approximately 5% of the Ontario population.

Our membership is especially effective at serving populations most vulnerable to poor health because of the barriers they face in accessing health care services. People who we support experience barriers because of experiences with poverty, low income, and living in rural and remote communities where services are not available. We support francophone, indigenous, LGBTQ, new immigrants to Canada, and individuals who have no health insurance. Our members provide culturally competent primary health care, along with a wide range of health promotion services and developmental services to address the determinants of health.

At a local level, our members also improve the lives of Canadians in our communities. Evidence provided by the Institute for Clinical Evaluative Sciences found that although the community health centres serve people with more socially complex health care needs, they do a significantly better job of keeping them out of the emergency departments.

We support the health care transformation of the Ontario government and the focus that's being placed on health equity with the Ministry of Health and Long-Term Care. Our members are at the forefront of efforts to reduce health disparities and advance health promotion in our province.

In my brief time with you today, I wanted to share information about the needs of our association and, more importantly, the needs of Ontario individuals who reside in our communities. First, I wanted to address the needs of the community health centres and the association of our membership in playing a lead role in providing comprehensive primary health care.

1400

Since 2012, our members have not received any sector-wide increases to our base budgets. We are delivering services under increasing financial pressure. The government freeze has had a significant impact on many of our members in our sector, and we have been having to reduce hours, staffing and programs, which is significantly impacting the individuals we're providing care to.

The increased cost of operations to many of our centres, including ours in NorWest in Thunder Bay, is significantly causing a financial strain on many of our centres. We provide the cost of interpretation services, and serving the refugees and new immigrants to Canada is an example of the services that we have provided without any significant increase in benefits.

Community health centres do respond to the community and to the population's health care needs. We provide services that many others in our communities would not be able to, and we do and are able to respond very quickly.

AOHC, as well as many of the other organizations that we work with, are experiencing the impact of the Fair Workplaces, Better Jobs Act. Increased cost pressures, as I mentioned earlier, are causing significant budget deficits. We are asking for a 5% increase in our annual budget increases that are also in line with inflation to address operational increases.

Second, I wanted to talk about the expanded access to interprofessional care teams. NorWest Community Health Centres and the Association of Ontario Health Centres as a sector are very supportive of the expansion of the government's commitment to expand interprofessional care teams across the province.

Given the vulnerable needs of the populations that we are serving, who face barriers, we acknowledge that they do require comprehensive care. We support and applaud the approach that the government plans in the 2017 budget to invest \$15 million in 2017-18 and \$26 million in 2018-19 for team-based care.

Research by the Association of Ontario Health Centres identified that 22% of people in Ontario face numerous types of barriers which hinder them from accessing care. We serve 5% of this population, so we support this investment in meeting this need and also recognize that the ongoing investment over the next 10 years with regard to either increasing community health centres, AHACs, nurse practitioner-led clinics or community-based family health teams is necessary. We also would encourage the exploration of community health centres supporting solo practitioners to address complex and socially complex individuals who are in family health team practices.

Third, I want to talk about upstream approaches and investments to build a more inclusive and healthier society.

Over 60% of population health outcomes are determined by social and environmental factors such as income, education, working conditions, housing and the physical environment that we live in. Poverty is a leading

cause of poor health and health inequities. As an organization that works on Simpson Street, we see first-hand the impact of these determinants of health.

We provide health care services to many people on low income who do not have access to things such as oral health, who can't afford to pay for healthy food, who can't afford to pay for prescriptions and do not have secure housing. As such, we are recommending the following: an investment in oral health care. According to the College of Dental Hygienists of Ontario, an estimated two million to three million people in Ontario have not visited the dentist in the past year because it's too expensive.

The most vulnerable people in Ontario communities, such as low-income families, low-income seniors, indigenous people, immigrants and new refugees, and people with disabilities have difficulty affording preventive health care. As a result, many individuals are not seeking this care and are landing in the emergency department for pain relief; however, this does not provide them access to the care that they need and is costing an additional \$38 million to the emergency room departments.

As a first phase, we are encouraging the province to redirect these funds into provincial dental care and treatment programs for low-income individuals and seniors residing in the community.

Income support: Our association of Ontario health centres also supports the recommendation of the 2017 income security report, but urges the province to take urgent steps in the 2018 budget to increase the level of income support available to individuals living in deepest poverty. The province should immediately set the standard flat rate for Ontario Works at \$794 a month and the standard flat rate for the Ontario Disability Support Program at \$1,209 a month for 2018.

The third thing I want to speak about is housing. Ontario needs to ensure the conditions for healthy living with targeted investments that lead to improved health outcomes. Access to and creation of new and affordable housing is necessary. Expanding investments to supportive housing for individuals living with mental health and addictions is also a priority.

Non-insured funding: Across the province, many community health centres over the last year have had a significant increase in demand for interpretation services as a result of providing services for Syrian refugees. The increased pressure on our health care system for provision of these services is difficult.

The Chair (Ms. Ann Hoggarth): One minute.

Ms. Juanita Lawson: However, many of these individuals also have no non-insured funding that is able to provide them with the care they need. Thus, they are landing in the emergency department and are not seeking the preventive care they need and deserve.

Thank you very much for your time.

The Chair (Ms. Ann Hoggarth): Thank you. This round goes to the official opposition: MPP Vanthof.

Mr. John Vanthof: Thank you very much for coming—

The Chair (Ms. Ann Hoggarth): Sorry; I gave you a raise there. The third party.

Mr. John Vanthof: Thank you very much for coming and for your presentation. I'd just like to touch on a couple of things and ask for some expansion. Organizations which you represent have had no increase in their base budget since 2012?

Ms. Juanita Lawson: Yes.

Mr. John Vanthof: So I take it that a lot of your costs have gone up. Even base costs have gone up.

Ms. Juanita Lawson: Yes.

Mr. John Vanthof: Under Bill 148, which we support—if your budget isn't increased, what are your alternatives?

Ms. Juanita Lawson: Some in our sector have laid off staff. They have decreased programming, and they've had to look at how they can realign some of their other services.

For us, in terms of Bill 148, we are looking at how we can keep our current staffing model, because we're very flexible with our staff to ensure that people can flex their schedule to meet family needs. But as an organization, we are looking at whether we can continue that, based on some of the parameters of Bill 148.

Mr. John Vanthof: But since you are a public organization, funded by—

Ms. Juanita Lawson: The LHINs.

Mr. John Vanthof: —yes, the provincial government—the provincial government would take into account the extra costs which the provincial government has legislated. Would you assume that that would be a fair assumption?

Ms. Juanita Lawson: I think we're all trying to catch up with Bill 148 and the impact. So, yes, I would agree that our organization, operationally—I'm very concerned about us being able to continue with regard to that. Like many of us in northern Ontario, in terms of the costs of hydro, heat, insurance and those types of things, it's having a significant impact.

Mr. John Vanthof: Could you further expand on the impact that the lack of access to oral health, because of financial reasons, has on people?

Ms. Juanita Lawson: I think that, unfortunately, many individuals who don't have funds to seek oral health—there are a number of aboriginal health access centres and community health centres that have treatment facilities for dental. But the impacts of individuals not having good oral health are on seeking jobs, their sense of self, their sense of dignity and self-worth. It also is having a significant impact on their overall health and well-being.

In our organization, we have had the benefit of working collaboratively with Confederation College and their dental health program. But many individuals are seeking pain relief and care and support for their dental abscesses through the emergency department. We know that that's costly, and it also doesn't treat what they need, which is good oral health.

1410

Mr. John Vanthof: We've heard from other presentations that we have some issues in our health care system. We are all proud of our health care system, but there are some major issues. One of the issues is that segments of the health care system don't work together very well. But you mentioned something about interprofessional care teams. Could you expand on that? Because that sounds like it's kind of helping to solve that problem.

Ms. Juanita Lawson: Well, I can give you an example. When we have clients who come into our centre, we do a full assessment, especially with new clients. In Thunder Bay, there are many individuals who have no primary health care, so they often are attending walk-in clinics or the emergency department. When we bring in clients—we target clients who are socially and medically complex. Those are our priority populations. We do a full assessment of what their needs are. It could be that they need housing; they don't have food security; they're in an abusive situation. While our health care providers are dealing with the medical needs, whether it's medically and socially or mental health and addiction issues, we also have another team—part of that team—that supports those individuals with all the other things that they need, such as finding housing or looking for mental health support or those types of things. They do work collaboratively together, and for individuals who are complex, they need that.

Mr. John Vanthof: Thank you very much for all you do.

Ms. Juanita Lawson: Thank you.

The Chair (Ms. Ann Hoggarth): Thank you very much for your presentation. If you have a further written submission, it needs to be in to the Clerk by 5 o'clock on Friday, January 19.

Ms. Juanita Lawson: Thank you.

NORTHWESTERN ONTARIO MUNICIPAL ASSOCIATION

The Chair (Ms. Ann Hoggarth): Our next presenter will be the Northwestern Ontario Municipal Association. Good afternoon. Once you get settled, sir, if you would give your name for the purposes of Hansard, and you may proceed with your presentation.

Mr. Larry Hebert: Thank you very much. My name is Larry Hebert. I'm a city councillor in Thunder Bay and a member of the NOMA board. NOMA, of course, stands for the Northwestern Ontario Municipal Association.

I know a few of the gentlemen around the table from my past experiences in the energy file in particular. Thank you, Mr. Wilson.

We represent communities from Kenora and Rainy River in the west to Hornepayne and White River in the east. Our mission is to provide leadership in advocating regional interests to all orders of government and other organizations. We appreciate the opportunity to be here today.

Our first issue is the Ontario Municipal Partnership Fund. NOMA recognizes that the government has difficult decisions to make in this area, but we need to have some help here. Municipalities, as well as the provincial government, are experiencing financial issues. In addition to the reduction in industrial assessments, resulting in decreased revenue, further exacerbating financial issues, is the reduction of the Ontario Municipal Partnership Fund. A number of NOMA members are experiencing decreases in their OMPF, yet the uploads do not offset the reductions.

As an example, Hornepayne's OMPF funding decreased by \$68,300—that may not sound like a whole lot of dollars, but for their budget, it is a whole lot of dollars—while their provincial uploads increased by \$5,000. Kenora decreased by \$333,000, and costs to the DSSAB are going up for 2018. Final numbers are still to be determined.

The Ministry of Finance has not provided any logical reasoning as to why the discrepancy is occurring.

We need to get back to providing municipal services with municipal dollars, and stop paying for provincial services that should be funded equally through other taxation revenues, such as income tax and sales tax.

Our recommendation is that OMPF funding increase to meet the needs of communities, or, alternatively, truly implement a service uploading program that is revenue-neutral.

The aviation fuel tax was presented in the 2014 budget. It was announced as a 1% increase for four years, commencing in 2014. This tax will further reduce Canada's already uncompetitive travel and tourism industry, and is an additional burden to northwestern Ontario's First Nations fly-in communities.

High fees and taxes on the Canadian aviation industry represent significant challenges for Canadian businesses, governments and citizens. The Canadian Chamber of Commerce has said that uncompetitive travel and tourism strategies are one of the top 10 barriers to competitiveness over the last two years.

Where most Ontarians are able to choose from several modes of transportation to access services such as medical, cultural, financial and social in the greater Toronto area, for example, this regressive tax decision gives further penalties to northwestern Ontario for requiring air travel to cover significant distances.

It is especially concerning here in the north, where many First Nation communities are only available by air for a large part of the year. These additional taxes will be passed on to the consumer through higher airfares—increasing the cost of transportation for all goods and services and for passengers, and further negatively impacting the cost of living for First Nation residents.

Small regional airlines such as Wasaya and Bearskin are already struggling financially due to limited passenger volumes and rising operating costs. To remain viable, Wasaya Airways undertook financial restructuring to implement their plan.

Many of our region's smaller communities depend on tourism revenues generated from US hunters and fisher-

men. There is already a large price difference between US and Canadian aviation fuel sources. An increase in aviation fuel taxes will only aggravate this situation and reduce the competitiveness of Ontario fishing and hunting excursions for the US customer. This is really a big concern, and should be a concern to the Ontario government. Our recommendation is to exempt northern Ontario aviation fuel from the annual one-cent-per-litre increase in aviation fuel taxes that was implemented in 2014.

Railway taxation: This should be an easy one for the government. Over the past few years, NOMA has brought the issue of inadequate railway taxation forward as a means of working with the government to revise the taxation structure. The Ontario Chamber of Commerce has also done this in the past. Not only would this provide municipalities with an opportunity to increase its tax base; it would also benefit the provincial treasury by increasing revenue to the province for right-of-way lands travelling through unincorporated territories, and it doesn't cost the government a penny.

In the 2017 provincial budget, the government announced that the same taxation structure would remain in place—not our choice, but theirs—but the value of the acre that the railway companies access would increase. In the districts of Kenora, Rainy River and Thunder Bay, the value of an acre was increased to \$122.15 from \$35.26. While this is a step in the right direction, NOMA continues to support the taxation based on a per-tonne-per-mile concept. That is the standard in a number of provinces and states, so it's not unknown to the railways.

Clearly, a one-size-fits-all approach does not address the concerns. The recommendation is to implement a \$1-per-tonne-per-mile taxation structure—and if you only want to do it in northwestern Ontario as a test case, we're okay with that, too—for which the railway companies pay the right-of-way-taxes, and that consideration be given to implementing a hybrid taxation model that reflects the needs of all regions.

Conservation Land Tax Incentive Program: While the Conservation Land Tax Incentive Program falls under the authority of the Ministry of Finance based on the Assessment Act, it is administered by the Ministry of Natural Resources and Forestry, MNRF. They determine the eligibility for a property to be allocated as conservation land, making it tax-exempt.

Over the past few years, the municipality of Neebing has raised their concerns and demonstrated the impact, with no resolution to date. They are being hit very hard. NOMA recognizes the importance of conserving land, but expecting municipalities to fund it through their municipal tax base is completely unfair.

The province has advised Neebing that lost property tax revenue under this program is reimbursed through the OMPF. However, the calculations pertaining to the OMPF suggests that the municipality does not realize the lost revenue through this funding stream.

Neebing has requested that the province either fairly compensate the municipalities for the revenues lost to the Conservation Land Tax Incentive Program or that it place

a cap on the number of hectares that can be eligible for the program in any one municipality. In addition, Neebing has recommended that the province compensate municipalities for the loss of development potential and tax revenue on these properties through a per-acre compensation formula.

Again, our recommendation is to provide a cap on the number of hectares of land in any one municipality that can be designated under the Conservation Land Tax Incentive Program or to reimburse municipalities who host properties under this program for lost tax revenue and/or lost development opportunities through a per-acre payment structure.

1420

Heads and beds payments: The provincial payment in lieu of taxes for universities, hospitals and correctional institutions, also known as the “heads and beds” payment, has been unchanged at \$75 per student and bed since 1987. These payments do not meet the actual costs of municipalities to provide the necessary services for these various institutions, thus placing an unfair tax burden on their property taxpayers, jeopardizing the ability of these municipalities to meet infrastructure demands and weakening their ability to act as economic engines. Applying the Bank of Canada inflation calculator, the \$75 value of 1987 dollars increases to \$141.69 in 2017. This is another form of downloading that has required individual property taxpayers to make up the difference for the past 30 years.

NOMA calls on the province, as a recommendation, to increase the payment in lieu of taxes to more accurately represent the costs of providing service to these institutions and to establish an automatic update on an annual basis.

So if you wanted to round the \$141.69 in 2017 to \$150, then you could do it and add an incentive every year as an inflationary increase.

Interest arbitration through firefighter and police settlements: \$485 million could be saved in comparison to the regular settlements with municipal employees in other areas. That could have paid for a lot of infrastructure. We need this to be put into the system and we have to get looking at what can be done about this. We recommend a balance of interest arbitration and making sure that emergency services are affordable and sustainable and are based on the ability to pay.

The legislation of marijuana: We think we need more money going to the municipalities.

Finally, on Local Share: Local Share is a proposal to raise the HST by 1%, fully dedicated to the infrastructure in communities. The last three surveys by AMO say it is the way to go. Last June, a majority of Ontarians said that they would agree to pay 1% extra in HST to fund municipal infrastructure. Just remember, the next big poll comes in 2018.

The Chair (Ms. Ann Hoggarth): Thank you. Government? MPP Baker.

Mr. Yvan Baker: Hello, sir. Thank you very much for coming in and presenting to us today.

Mr. Larry Hebert: You're welcome.

Mr. Yvan Baker: There are a number of issues you've covered here. I guess I want to start at the very beginning with the Ontario Municipal Partnership Fund. I'm Minister Sousa's parliamentary assistant, and year after year I've gone to the AMO conference and I've gone to the other conferences with municipal leaders, and I take meetings on behalf of Minister Sousa on the issue of the OMPF as well as other issues. A number of them are here in your presentation. I guess I'm a little bit surprised to read what it says here: "The Ministry of Finance has not provided any logical reasoning as to why the discrepancy is occurring." I've spent a lot of time personally, and I'm just one person—but I think a lot of people have spent a lot of time trying to provide a logical explanation. It may not be what every municipality would like to hear, but certainly that effort has been made.

But broadly speaking, if you look at the background of the OMPF, in collaboration with AMO—this is before I got elected—the provincial government agreed to—there was an agreement between AMO and the provincial government that the OMPF would be capped going forward. It would be flat; it wouldn't increase year after year. But in exchange, the provincial government would upload a whole series of services, and you alluded to this. I appreciate that those uploads are going to affect different municipalities differently; I appreciate that. But if you take a look at the amount of the uploads relative to what the increase in the OMPF would have been, the increase in the uploads is much, much greater. We're talking billions of dollars in uploads. I think that the total amount that we provide to municipalities today, if I'm not mistaken, every year, is about four times the amount that it was about 12 years ago across Ontario.

I guess the point I want to make, or what I want to make sure is not lost in this discussion, is that I hear that there are certainly instances of municipalities who haven't derived those benefits for one reason or another. And I'm not saying that's not the case; I'm not challenging that. What I'm saying is that for the vast majority of municipalities in Ontario, they've seen an increase in supports. Either that would have come through the OMPF or it would have come through the uploads or it would have come through the infrastructure investments that we've made. But I appreciate that there are some individual ones. I see Hornepayne, and I've met with them before so I do know that story and their concerns. I wanted to make sure I just put that into context.

I think the other thing on the OMPF that I want to flag is that—and this is all in collaboration with AMO—the OMPF has been designed in such a way that it really gives priority to rural and northern municipalities. I don't have the number off the top of my head here, but the vast majority of the OMPF funding goes to rural and northern municipalities.

Again, the efforts being made here are to try to cater the supports that we're providing to where the needs are. I take your feedback on the OMPF. I guess maybe what I

wanted to ask about was the infrastructure component. When I've taken those meetings, one of the things I hear a lot about is infrastructure. I know that you alluded to it briefly in your remarks. We launched the Ontario Community Infrastructure Fund to help with critical infrastructure: water, bridges, waste water, etc. Can you just talk a little bit about that—

The Chair (Ms. Ann Hoggarth): One minute.

Mr. Yvan Baker: —what the needs are here and whether that's helped this community?

Mr. Larry Hebert: Is that one minute for me to answer the question or for the question?

Mr. Yvan Baker: One minute for you.

Mr. Larry Hebert: Thank you. Yes, really, I think the uploads have been really appreciated. I agree that a lot of our northern and rural communities have been benefiting from them, but certainly there are exceptions. What is a concern is that sometimes there's no explanation that goes with that, and that would be helpful to communities to see what they're doing wrong.

A complaint that the rural communities have been saying for a long time, especially the smaller ones—and I know both you and the feds are looking at it now—is changing the structure from one third, one third, one third, to 40%, 40% and 20%, which is much more palatable to small communities. That would be very helpful from an infrastructure standpoint.

The Chair (Ms. Ann Hoggarth): Thank you very much, sir. If you have a further written submission, it needs to be to the Clerk by 5 o'clock on Friday, January 19.

Mr. Larry Hebert: Thank you very much.

LAKEHEAD UNIVERSITY

The Chair (Ms. Ann Hoggarth): I'd like to call on Lakehead University. When you get settled, if you could identify yourself for the purposes of Hansard, and your 10-minute presentation will begin.

Mr. Richard Longtin: My name is Richard Longtin. I'm the director of government relations for Lakehead University.

Thank you, Madam Chair and members of the committee. I want to thank you for inviting me here today to contribute to your pre-budget consultations.

Lakehead University is a comprehensive university with campuses in northwestern Ontario and Simcoe county. Lakehead plays a critical role in offering transformational post-secondary education to underrepresented groups, including first-generation degree students and indigenous students.

The percentage of the population aged 25 to 64 with a university degree in northwestern Ontario is only 14.4% and in Simcoe county it is only 13.8%, substantially lower than the provincial average of 28.9%. The percentage of the indigenous population with a university degree is also substantially lower than the provincial and national average.

Lakehead University's commitment to equity and access to post-secondary education cannot be overstated. Since its inception, Lakehead has served a complex student body with complex needs by nurturing the potential of every student, as evidenced by the university's strong graduation rates—we're eighth in the country and top four in Ontario—and related graduate employment outcomes—we're at 94.5% within two years after graduation.

As university education becomes increasingly relevant in the future economy and the development of a highly skilled workforce, Lakehead University remains committed to access and equity for indigenous students, students from rural and remote communities, and students who may be the first in their family to pursue a post-secondary education. This commitment reflects the Higher Education Quality Council of Ontario's recognition of the importance of some universities in Ontario assuming the role of equity-of-access powerhouses, reflecting the notion that every student, no matter where they're studying, deserves a strong end point.

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Lakehead offers undergraduate and graduate degree programs to a diverse student body totalling over 8,200. Our student population includes 1,100 students who self-identify as indigenous, representing over 13% of the total student population. Over 56% of Lakehead University students come from a household where no parent has completed a university degree. Adding to the diversity of our student population, we have over 1,000 international students at our two campuses in Thunder Bay and Orillia.

Lakehead offers a number of supports for our students, including many culturally appropriate services to support academic health and wellness, such as cultural rooms for sessions with elders, smudging spaces for students of different denominations, and specialty food options. Our inclusive and welcoming learning environment has supported students from all backgrounds. Lakehead's commitment to offering every student a transformational experience is reflected in the support programs offered to students, the success of its retention and graduation rates, and strong graduate employment outcomes.

We want to expand our outreach and become even more accessible to these underrepresented groups. However, we need to partner with the government of Ontario if we are going to succeed. We need you as a partner.

I'd like to take a brief moment to highlight our Gichi Kendaasiwin Centre and telepresence proposals, which complement the Ontario government's objectives for advancing education opportunities, access and equity, spurring economic development in northern Ontario, and building bridges and reconciliation with indigenous peoples. These projects are critical to the work being overseen by several ministers, as outlined in their respective mandate letters.

Project number 1: the Gichi Kendaasiwin Centre. The Gichi Kendaasiwin Centre was founded and designed in partnership with northwestern Ontario's indigenous leadership. Gichi Kendaasiwin has always been intended

as a place to serve many purposes while bringing indigenous and non-indigenous peoples together. Gichi Kendaasiwin will offer advanced research, teaching and support services to indigenous and at-risk students while providing greater access to post-secondary education and cultural and community support, ensuring that indigenous youth have opportunities and supports to successfully pursue post-secondary studies and become leaders in shaping their future, the community's future and around the world. Gichi Kendaasiwin will expand post-secondary education opportunities for youth and reach out to communities across northwestern Ontario, thereby increasing the success of indigenous learners, promoting reconciliation and understanding between northern peoples, and helping to share and celebrate First Nation, Métis and Inuit cultures.

Lakehead University envisions a vibrant indigenous present woven into the fabric of the university. Indigenous students on and off campus supported by faculty, staff and alumni will be linked in a spirit of shared learning with aboriginal and non-aboriginal communities and the private and public sectors and will form the heart of the Gichi Kendaasiwin Centre, supported by leaders and knowledge-keepers. The successful realization of this project would allow Lakehead University to build on its successes and improve the level of academic programming and services it currently provides to indigenous students while responding to the Truth and Reconciliation Commission's call to action.

Gichi Kendaasiwin would include a language lab that supports the revitalization of indigenous languages. It would be a repository of important and invaluable knowledge and documents, including the proper storage of fragile original treaty agreements and art and cultural artifacts.

A new indigenous research institute is also planned as part of the Kendaasiwin centre. This institute would promote interdisciplinary collaborations among researchers from different fields of work to serve the indigenous communities in northwestern Ontario. Archiving First Nation materials will serve the communities and allow Lakehead University to go to the next step.

In addition, rooms will be used for small consultations and the collection and recording of indigenous oral histories for use in research collections. The Gichi Kendaasiwin Centre will be a building that is a haven. It will be a dynamic place where traditions and beliefs from childhood are honoured, where career paths are carefully considered and where students may seek wisdom and guidance through their professors, elders, counsellors and peers.

There has never been a more critically and strategically important time to build on the work of elders, a coalition of indigenous and non-indigenous partners, and the Premier's mandate letters. The Gichi Kendaasiwin Centre is a social and economic milestone infrastructure project that is of regional, provincial and national significance.

Project number 2: telepresence. Telepresence is a state-of-the-art, immersive classroom and meeting ex-

perience that offers an advanced learning and innovative education experience. The telepresence experience uses the latest in audio/video technology to connect people from around the region. These rooms or spaces capture every sound, gesture and facial expression, providing users with a much more natural communications experience.

Lakehead's vision for telepresence is to offer first-year university programs and other stackable credentials to northern communities. Students in these communities would have the opportunity to begin their post-secondary journeys and dreams from their home and not have to leave their communities, often for the first time in their lives, for far-off places to attend university.

The implementation of a telepresence network is a multi-phase scalable plan that began with the installation and core infrastructure at both campuses in Orillia and in Thunder Bay. Telepresence technology has evolved greatly in recent years, making education accessible to even more communities and organizations. The hardware costs have dropped dramatically as the technology has allowed for more flexible spaces that serve specific community needs. From rooms that accommodate a handful of people to dedicated rooms that host dozens, this capacity-building technology has social and economic development potential, assisting indigenous and rural and remote businesses and communities to connect with markets across the province, the country and around the world. It will have a vital impact on the north.

The telepresence project at Lakehead greatly supports the Ontario government's current agenda. Lakehead University's telepresence technology initiative is designed to establish rural, immersive sites that will support Lakehead University's goal to improve accessibility, student mobility and economic opportunities throughout northwestern Ontario, and aligns directly with the Premier's mandate letters along with the northern growth plan. This immersive telepresence technology will help achieve these objectives by fostering growth and diversification of Ontario's economy, by expanding access to information in communications technology, and by addressing the current and future needs of businesses, organizations and private citizens.

The Chair (Ms. Ann Hoggarth): One minute.

Mr. Richard Longtin: In conclusion, I want to thank you again for allowing me to present here today. I ask that, as part of your recommendations for budget 2018, this committee ask the Ontario government to ensure adequate funding opportunities are available to institutions like Lakehead for projects such as these. The projects and initiatives discussed will make advanced post-secondary education more accessible to all.

The Chair (Ms. Ann Hoggarth): Thank you. We go to the official opposition: MPP Oosterhoff.

Mr. Sam Oosterhoff: Thank you very much for your presentation this afternoon and for coming before the committee. On behalf of, I think, all parties in the Legislature, I think it's admirable, your commitment to reconciliation and working with the indigenous communities

of Ontario. I think it was very evident in your presentation that that is a very sincere desire, and one that I think all parties recognize the need for. Thank you for that.

Earlier, we had a presentation from Confederation College, and they mentioned some of the pressures that are unique to northwestern Ontario and some of the challenges that the college system is facing in 2018. I was curious—if you could build on, perhaps, if there are pressures that have resulted from Bill 148—Confederation College mentioned almost a 10% increase in costs with the passage of that bill. I'm just wondering what sort of impact that had on Lakehead University.

Mr. Richard Longtin: I can say, from our standpoint, that costs naturally keep going up. I mean, that's a result of delivery, salaries, infrastructure, and a deferred maintenance backlog that higher education institutions, hospitals and other organizations face. We're trying to be very nimble and respond to the policy and the operational environment we're faced with, and also thinking about how we diversify our student recruitment efforts to deal with the demographic challenges.

Mr. Sam Oosterhoff: Is the student base shrinking in northwestern Ontario?

Mr. Richard Longtin: From age 15 to 19, that demographic is, yes.

Mr. Sam Oosterhoff: How do you plan on dealing with those pressures?

Mr. Richard Longtin: In the last few years, we've gone from roughly 100 international students to over 1,000. But part of the goal with Gichi Kendaasiwin is to accommodate the recruitment of more indigenous students as well, going from roughly the 1,100 that we're at now to closer to 1,500 or 1,600.

We also are continuing to do penetration in one or two growth markets, which is the GTA, primarily.

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Mr. Sam Oosterhoff: Just one quick question: One of the other pressures that is talked about a lot in post-secondary education is mental health and the need for investment in mental health. As a percentage of our health care budget, we're at lower levels than we were in the 1970s, and that's something where the government hasn't taken as much action as it should have, from my perspective and from what I hear from my peers as well.

What would you say some of the pressures are when it comes to mental health in post-secondary education?

Mr. Richard Longtin: From Lakehead's standpoint, both campuses offer health and counselling services, but ultimately it's just the demand versus what we have for professionals. The university pays costs towards that, as well as ancillary fees for health and counselling. Just being able to foster that environment and dialogue, where people can come forward and talk about what they're facing—

Mr. Sam Oosterhoff: Right, so I guess the question is: Would you say there's adequate investment in mental health currently in post-secondary education?

Mr. Richard Longtin: I would say that on that one, there's never going to be enough. Realistically, it's

becoming more and more of an issue for everybody, and we're trying to tackle that.

I think part of the stigma is just to get youth to talk about challenges that they face, and that's starting to come, but we also see that, naturally, in academic issues and that type of thing, when it surfaces.

The Chair (Ms. Ann Hoggarth): MPP Wilson. One minute.

Mr. Jim Wilson: Just to get a sense of how important the international student revenue is to your college or colleges: Do you want to comment on that? What's the differential between domestic fees and what you're able to charge internationals?

Mr. Richard Longtin: We've been able to have balanced budgets for the last few years as a result of this. I think that we know that marketing northwestern Ontario—students from all over the world know some of the key urban centres, like Toronto and Montreal; they've heard of those cities. We have to put additional costs in the start-up to recruit for places like northwestern Ontario and put them on the map. I would say right now that it's getting to a point where it's probably going to go toward 25% of our revenue.

Mr. Jim Wilson: What do you charge them? Twice as much? Three times as much? Four times as much? Do you know?

Mr. Richard Longtin: I would say probably about three times as much.

The Chair (Ms. Ann Hoggarth): Thank you very much for your presentation. If there are any further written submissions, they need to be to the Clerk by 5 o'clock on Friday, January 19.

Mr. Richard Longtin: Thank you.

THUNDER BAY CATHOLIC DISTRICT SCHOOL BOARD

Ms. Ann Hoggarth: Our final presentation of the afternoon: Thunder Bay Catholic District School Board. Good afternoon, sir. Once you get settled, could you give us your name for the purpose of Hansard, and you may proceed with your 10-minute presentation.

Mr. Tom Mustapic: Thank you. My name is Tom Mustapic. I'm a capital plan specialist with the Thunder Bay Catholic District School Board. To begin, thanks for the opportunity to speak to you today.

The Thunder Bay Catholic District School Board has asked to make a presentation to the finance standing committee to outline what we believe are inherent gaps in the Ministry of Education's capital funding model— inherent gaps which effectively prevent proactive and well-managed school boards from receiving capital funding for priority capital projects.

In order to provide context, I will briefly outline the current Ministry of Education's capital funding process. The current process has been named the capital priorities process. It occurs at least once annually and provides boards with an opportunity to prioritize their proposed capital projects and present them to the ministry for

funding consideration. As you can imagine, the process is competitive, with the number of project submissions and their scope greatly exceeding the amount of available funding each year.

The Thunder Bay Catholic District School Board has followed a proactive approach to capital planning for the past 15 years. We've closed schools where necessary to address enrolment decline, we've significantly upgraded our buildings to ensure their longevity and student comfort, and we've invested extensively to improve our energy efficiency through a partnership with Honeywell that has resulted in cumulative savings of approximately \$3 million since 2006 and a reduction in our greenhouse gas emissions by over 20%.

One of our most successful projects during that time period was the creation of Pope John Paul II school. Pope John Paul II is a senior elementary school in the south ward of the city of Thunder Bay. It was created by closing the former St. Edward school and the construction of an addition to what was then known as Sacred Heart school. The project has been a great success. The combined school has enabled the board to offer enhanced programming such as woodworking and culinary arts, and has created greater diversity and tolerance while saving approximately \$500,000 annually in operating costs.

Given the success of Pope John Paul II School in our capital planning process, we have identified a similar project in the north ward of Thunder Bay as our highest-priority future capital project. The board has proposed closing two small senior elementary schools and replacing them with one larger combined school. The project is projected to save an additional \$500,000 annually in operating costs, provide enhanced programming and offer the same opportunities for our north ward students that our south ward students currently enjoy.

Our board has made an application to the Ministry of Education's capital priorities process on three occasions and has been rejected each time. Ministry staff have indicated that due to the competitive nature of the process, the ministry prioritizes projects which address increased enrolment, overcapacity and buildings that are in poor condition.

It's no secret that school boards in northern Ontario are not growing, leaving us with only the latter two categories for potential approval. To our frustration, due to our proactive capital planning process and our efficiency, we find ourselves unable to meet the standards in the latter two categories as well. We have proactively closed schools in relative proportion to enrolment decline, and as a result we have little overcapacity in our system. We have invested in our buildings, and as a result they are in good condition for their age.

Given the current criteria, it appears that the only approach that the board could take to have its project approved is to stop maintaining its existing buildings over a prolonged period of time, in order to put them into disrepair and therefore possibly qualify for funding. Of course, that approach is one which is unacceptable to the board, as sacrificing the comfort and safety of our

students and staff in order to obtain future funding is a non-starter.

Although we believe that it is an unintended outcome, the Ministry of Education's capital priorities process is unintentionally disadvantaging school boards that have a history of proactive and successful capital planning. Surely, good stewardship should be desired and recognized rather than being ignored and, in effect, penalized.

To conclude, we recommend that the Ministry of Education expand its criteria for approving capital projects to give consideration to boards which have demonstrated success and capability in capital planning. In that way, the capital priorities process will provide all boards with a reasonable opportunity to access capital funding, while giving due consideration to both local and provincial priorities.

Thank you for your time and consideration today.

The Chair (Ms. Ann Hoggarth): Thank you, sir. We go to the third party: MPP Vanthof.

Mr. John Vanthof: Thank you, Mr. Mustapic, for your very concise presentation regarding this issue. It seems that you are being penalized for doing a good job.

Mr. Tom Mustapic: It seems that way to us, too.

Mr. John Vanthof: Of the three criteria for the application process, the first one—I don't know if that's exactly how they're rated—is increased enrolment. You bring forward the case that in many parts of the province, there isn't increasing enrolment, and we heard earlier today that despite that fact, you can't just walk away from places in the province that don't have increasing enrolment, because those towns and cities provide services to the people who live there and to the businesses. It's hard enough getting people to move to northern Ontario; if there's no adequate school capacity or equivalent school capacity, they're not going to move.

Also, would you agree that that's something else the ministry should look at, that solely increased enrolment should also be one of the criteria that should perhaps be removed from the equation?

Mr. Tom Mustapic: I would agree, in that there are very few growing school boards in Ontario. If you're just looking at growth as your primary consideration, you're leaving a lot of boards without.

Mr. John Vanthof: Yes. And the fact is that with a lot of older schools, even if they're maintained very well, which obviously you're doing, some of their configurations aren't conducive to what modern education standards require.

Mr. Tom Mustapic: Absolutely. Case in point, our project that we're proposing: Both schools are close to 50 years old, and the gymnasiums are much smaller than what you'd see in a typical gymnasium now. Students are larger; I think that's something that everyone gives recognition to. Hallways are narrower than current standards.

The schools, if you compare them to anything that's even slightly more modern, really are deficient given current standards.

Mr. John Vanthof: I think you've made a very strong case, but I'd just like you to reiterate it: For areas where student numbers aren't increasing and they're doing a good job maintaining their buildings, they are at a distinct disadvantage when trying to provide a modern education to students.

Mr. Tom Mustapic: Absolutely.

Mr. John Vanthof: Thank you.

The Chair (Ms. Ann Hoggarth): Thank you, sir, for your presentation.

Mr. Tom Mustapic: Thank you.

The Chair (Ms. Ann Hoggarth): If there is another written submission that you'd like to get in, it needs to be in to the Clerk of the Committee by 5 o'clock on Friday, January 19.

Mr. Tom Mustapic: Okay. Thanks very much.

The Chair (Ms. Ann Hoggarth): Thank you, sir.

Committee, we will adjourn until tomorrow at 9 a.m. in Sudbury.

The committee adjourned at 1450.

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